The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

October 22, 1938

U. S. Navy Worries Japan

AN EDITORIAL

★

Munich Accord and Asia

★

Britain Is Aiding China

BY DR. UJIRO OYAMA

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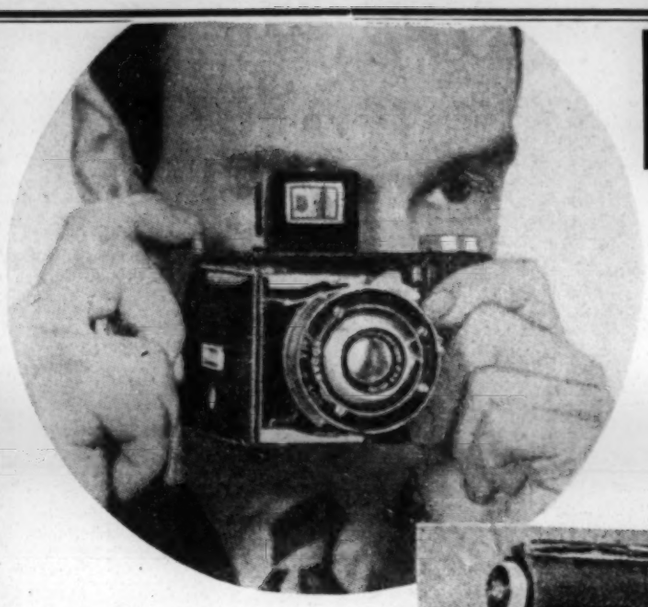
Volume 86 Number 8



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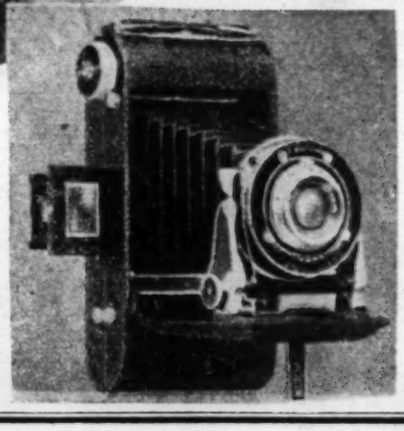

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

Fuel to the Fire

The Editor, *China Weekly Review*:

To present China's case in a better light, China can be likened to a prize cow with an abundant supply of first grade milk which she most willingly and generously gives to all who care to feed her and treat her nicely, while Japan can be pictured as a jackass who, though it can render some work for its master, is liable to give him a nasty kick on the face any time it feels like, no matter how well he feeds it. Japan's present action is a clear attempt to possess that cow all for her own, but is, at the same time, without the means to feed her. The best she can do now is to destroy her so that nobody will ever get a share of her heaven-sent milk. Displaying utter lack of sense of decency, Japan shamelessly tries to tell the world that she is embarked on a mission to free the Chinese people from the yoke of despots. She does it by flooding the world powers, especially the United States, with tons of propaganda literature which is in reality an affront to human intelligence. The unfortunate part is that there are still men who possess anything but intelligence. There is an old saying in Chinese literature that to appease an aggressor by giving him territorial concessions is like to add fuel to the fire, which means the more one gives the greater will be the aggressor's appetite later on. This is only too true and it is about time our fellow democracies realize the danger and folly of reckless giving. It is almost time to learn that it is treacherous to let China fight along for the safety of world democracy. The illusion that they can feel safe by perching on a tottering fence watching the outcome of the fight must be dispelled at once. To avoid getting hurt from the collapse of that fence built on false concept it is better to show your might to stop the fighting. Through the concerted effort of the powers China, instead of having to bear the brunt of fighting for another year, will find it an easy task in rounding up the remnants cut off from their home land. And, within a short space of time, say one or two months, we will find peace again reign and trade prosper in this part of the earth. This is the only way to save China! This is the only way to save the world! Let us all hope this will come true.

N. S. C.

Shanghai, Oct. 14.

Wusih Conditions

The Editor, *China Weekly Review*:

Your overseas readers will probably be interested in knowing of the state of affairs at present existing in the Japanese occupied territories, especially the famous Wusih city. Before I could "walk through" the North Szechuen Road bridge (Opposite the Shanghai Chinese General Post office), in accordance with the Japanese "new law," I must show my "pass" to the Japanese sentries and at the same time "take off" my hat (otherwise I will be assaulted) to show my "respect" to the Emperor's army. I paid $5.00 (Chinese National Currency) for that "pass!" I paid $3.65 for a seat in third class carriage; prior to the hostilities the fares was only $1.05. When the train reached Wusih, to my great surprise I found—97% of the houses were ruined or burned out—as the result of the Japanese undeclared war. Wusih was known as one of the biggest industrial centers in Kiangsu province and now only three out of the 27 flour and silk factories are left undamaged. It's learned that when the Japanese army entered Wusih, they assaulted women, butchered the Chinese Civilians, robbed old women, took away anything they could lay their hands on, clothing—even their eggs and chickens. On every corner of the street, I noticed these Chinese slogans:—"Japanese army fighting the Chiang Kai-shek and his group, not the Chinese" "Russia and the Great Britain are the real enemies of the Chinese." "Boycott the British and American goods." "Buy your enemies goods—it means helping them." "Buy Japanese goods." etc. I am informed by the shop keepers that young women are stopped on the roads by the Japanese soldiers and taken to lonely spots—the mothers or husbands are absolutely helpless. Victims who have the courage to report the matter to the Japanese authorities, "get something instead of justice." Kicking and slapping are the Japanese daily routine. Farmers or civilians who dare to refuse the army's yen notes, are severely punished—either by burning their houses or taking away their belongings. No foreign goods in Wusih. Even the famous and cheap Swiss made matches! 95% is Japanese goods! The Japanese authorities allow one knife for every five families!

O. S. C.

Shanghai, Oct. 16, 1938.

Oxford Group Progress

The Editor, *China Weekly Review*:

A note to tell you of the progress being made at the Oxford Group meeting at Interlaken, Switzerland. The **London Times** has carried letters in its columns every few days about Moral Re-armament, ever since Stanley Baldwin's letter. It's amazing the way the press distributed news of Interlaken. The **Herald Tribune**, N.Y., and the Paris edition also gave the meeting prominence. This must go on. We are on the brink of something pretty terrific here in Europe, and are working against time.

Frances Roots.

Geneva, Switzerland, Sept. 27, 1938.

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Writer Roots' reference to something "pretty terrific here in Europe" was neatly attended to by Messrs. Hitler, Chamberlain.

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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In the United States Court for China

AMADO MAGOALAZ, YUZON,
Plaintiff,
vs.
OLIVA REYES ALMARIO YUZON,
Defendant.

Cause No. 4364
Civil No. 2243
ORDER
Filed at Shanghai, China, October 6th, 1938.
WILLIAM T. COLLINS
Clerk.

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS Plaintiff herein, by his attorney, has this 6th day of October, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 6th day of October, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 6th day of October, 1938, Amado Magoalaz Yuzon, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 6th day of October, 1938;

NOW THEREFORE it is this 6th day of October, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 29th day of October, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

NELSON E. LURTON,
Special Judge.

Will Japan Win?

LET FREDA UTLEY ANSWER - -

From the Great Wall to Bias Bay a ruthless and efficient military machine is engaged today in a contest with high morale and patriotism.

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JAPANESE REACH "FISH COURSE" IN MONOPOLIZATION SCHEME

NO one knows how many millions of the Chinese people subsist largely on a diet of fish, probably more than eat any other kind meat. The fact that China imports fish and fishery products valued at more than $25,000,000 annually gives some idea of the extent of the business because imports are only a small percentage of the domestic consumption.

Fish are abundant in China in great varieties in both coastal waters and inland streams. Tens of thousands of Chinese are engaged in the business of supplying fish to the multitudes, the ramifications of the industry being endless. For example in Shantung and in the Nanking district, "fish-farming" is an important industry, the practice being to rent ponds or sections of canals, stock them with eggs or "fry" and wait until they grow up, about two years being required for the process.

In recent years the National Government attempted to organize and modernize the fish industry and achieved considerable success at Shanghai where a modern market, one of the most modern in the world was constructed, within the jurisdiction of the new Civic Center at Kiangwan, a few miles north of the foreign settlements. But the Chinese fishery business generally was conducted on democratic lines, the average fisherman being proprietor of his junk where he lived and reared his family, as his father and grandfather did before him.

Shortly after the beginning of Sino-Japanese hostilities fifteen months ago the captain and passengers on a German steamer calling at Hongkong reported having seen Japanese destroyers shelling Chinese fishing junks, setting them afire and machinegunning the occupants of the boats as they struggled in the water. The Japanese naval spokesman at Shanghai was highly indignant and denied the story, but later, in the face of indisputable evidence, he admitted the charge, but alleged that the Chinese junks were armed and had attacked the Japanese warships. It is true that some types of Chinese fishing junks do carry a gun, probably not much more dangerous than a toy cannon, its chief value being to make a loud noise in the event the junk is attacked by pirates. The suggestion that a Chinese junk could, or would, attack a modern warship was laughable.

On Sept. 30 a resident of Pakhoi, small customs port near the border of French Indo-China, wrote a letter to *The Review* about the actions of Japanese naval craft which visited Pakhoi and attempted a landing on Aug. 24. Frustrated in their attempt to land, as Pakhoi is defended by the 19th Route Army which opposed the Japanese at Shanghai in 1932, the Japanese retaliated by collecting all the fishing boats, burning them and butchering the crews.

This sort of thing has been going on up and down the China coast for fifteen months until most of China's vast fishing fleet has been destroyed, excepting boats that was taken up the streams or concealed in out of the way bays and hamlets. In Canton it was necessary to provide relief and rehabilitation for more than 100,000 fishermen whose livelihood had been destroyed by the Japanese Navy, operating in waters about Hongkong and the mouth of the Pearl River.

That there has been a far-reaching program behind this singular activity of the Japanese Navy was obvious. It is now out in the open—the monopolization of the extensive Chinese fishery industry and the control of a vital food necessity of millions of the Chinese people.

The plan became public early last September when *Domei* reported that one Shinya Masuda, a Kobe businessman and his associates had organized a Yen 1,000,000 company for the purpose of engaging in the fishery business in China waters particularly at Shanghai and waters surrounding the Chusan Islands off the Chekiang coast to the south of Shanghai and off the entrance to Hangchow Bay. Developments came fast after that announcement, indicating that Mr. Masuda must have had close connections with the Japanese Navy. His company was given all the equipment which the Japanese military had seized from the new Chinese-developed fish market on Point Island. The new Chinese fishing boats which the Chinese had purchased in Germany were also turned over to Mr. Masuda's concern.

But an unexpected complication developed for the Japanese Navy-Masuda monopoly. The most powerful Chinese fishing "hongs" or companies, actually family concerns, consisting of 16 hongs which operated on canals and inland waters and 24 sea fish hongs, some of which were more than 40 years old, had their places of business on the Whangpoo waterfront in the French Concession. The district is known as "Marche de l'Est," and extends for several blocks in that area. Adopting a plan found successful in other lines of business, some of the leading Chinese fishery companies combined and formed a new corporation with a majority of the stock owned by Frenchmen. They then installed French flags on the formerly Chinese owned fishing fleet and went about business as usual. Other Chinese fishers, not in the French combination, became German and Italian, or at least made some arrangement with the consular officials of those nations which permitted them to use the Nazi swastika and the Italian emblem.

Visitors to Shanghai were amazed to see hundreds of Chinese fishing junks in the Shanghai harbor flying foreign flags. Business immediately picked up at the French Concession fish market and there was corresponding consternation at the headquarters of the Japanese

monopoly concern,—but not for long.

Here is where the Japanese navy entered the picture: Stationing gunboats at the mouth of the Yangtsze and along the Whangpoo, Chinese fishing junks, despite their flags, were compelled to unload their cargoes of fish at the Japanese jetty, or they were set on fire and destroyed. The French, Italian and German authorities immediately lodged strong protests, but little has been accomplished. Fishing steamers operating between Shanghai and the Chusan Island fishing grounds, were also ordered to unload their cargoes at the Japanese market at Chemulpo Road, despite their foreign flags and charters. The battle is still on. A report in the Chinese paper *Ta Mei Pao* (Aug. 1) said that Chinese fishermen had lost $50,000,000 in property and business since the beginning of the war fifteen months ago. It is said that the Japanese are selling $200,000 worth of fish daily in the Shanghai market.

To make their monopoly perpetual and safe from attack by foreign-registered fishery concerns, the Japanese had the puppet Ministry of Industry of the "Reformed" Government at Nanking, form a new company or market which is capitalized at Yen 100,000, (half Japanese), which has been given a monopoly of the facilities on Point Island where the former Chinese market was located. Thus with their own company—assisted by the Imperial Navy—and the puppet concern which they control, the Japanese now have an iron-bound monopoly. However, the Chinese companies operating in the French Concession are still holding on and fighting for existence. A report in *The China Press* said that about 1,000 Chinese fishing boats which operated out of Shanghai under normal conditions, represented a capital of $1,500,000 to $2,000,000 and employed some 7,000 persons. Firms still holding out in the French Concession employ between 200 and 300 men and have a combined capital of about $1,000,000. The Japanese market is now said to be underselling the Frenchtown market, the object being to force the French market out of business in this manner.

The Japanese action here should be of special interest in the United States, particularly on the West Coast where the Japanese also have been making inroads by operating fishing boats falsely incorporated under American laws. In Alaska the Japanese have been bolder and have tried to monopolize the profitable salmon fishing industry in open violation of the American regulations. But thus far the Japanese have not dared to use their Navy in American waters as they have done here to destroy a competitor. That will come in the future as it has here, unless the Americans wake up the the menace.

The Japanese monopolization of the fishery industry here will vitally affect the livelihood of the Chinese people, particularly the poorer classes who subsist on fish and rice. Its effect is already noticeble in prices. An average size fish served at Chinese better-class meals, which cost $1 to $1.20 a few weeks ago now costs from $1.80 to $2.

CASES WHERE TRUTH WAS STRONGER THAN FICTION

So much has been published about Japanese atrocities in China that the public has ceased to be impressed. In fact many of the stories were so horrible that the public put them down as propaganda, the sort of stuff fed to the public during the late war.

This was the experience of *Readers Digest*, with regard to a condensation of an article entitled, "The Sack of Nanking," which appeared originally in the new Chicago magazine *Ken*. Following the publication of the article in *Readers' Digest*, the editors received numerous letters from subscribers who refused to believe the gruesome story and put it down as rank propaganda. This caused the editors of *Reader's Digest* to make further research into the authenticity of the reports. The result was a series of letters (many already published in *The Review*), from persons who were in Nanking at the time of the Japanese occupation, hence were in a position to testify to the accuracy of the original reports, and more.

In this case "truth was stronger than fiction," meaning that the stories of the eye-witnesses were far worse in their descriptions of horrors than were the second-hand hear-say reports originally telegraphed over the world.

The same thing is true with regard to pictures of Japanese atrocities. Practically every important newspaper office has pictures of Japanese atrocities which the editors refused to print, simply because they were too horrible to believe, or for fear the reader would be so disgusted as to cease reading the newspaper which published the pictures. However, some papers did print the pictures, particularly the picture magazines which made a feature of the horrors. But recently an entirely new series of pictures have appeared which no paper has published. We refer to the pictures showing bodies of Chinese women who have been raped and desecrated by Japanese soldiers.

But how about the proof—that these atrocities were the work of Japanese soldiers?

The proof is provided by the pictures themselves, for practically all of them show Japanese soldiers standing about the bodies of their victims. In one case several Japanese soldiers are sitting about the body of a Chinese woman and one of the men was shown wiping blood from the bayonet of his rifle, after having put an end to the woman's suffering by a thrust through her heart.

In the case of the Nanking atrocities, where the Japanese killed some 24,000 disarmed soldiers and civilians in a mad orgy of rape and massacres following occupation of the former Chinese capital, the Japanese apparently were so proud of their work that they took pictures of each other while in the act of chopping off Chinese heads or using living Chinese for bayonet practice.

But while it is possible to imagine a Japanese soldier photographing his friend while chopping off the head of an unfortunate Chinese, or using the body of a living Chinese for bayonet practice, it is difficult to imagine Japanese soldiers photographing each other while engaged in rapeing activities. But here again truth is stronger than fiction. Such pictures actually exist, although none has yet been printed.

How were they obtained? The answer is simple: The Japanese soldiers took their films to Chinese shops to be developed, or the Japanese shops where the pictures were taken had Chinese employees who took copies and had them reproduced in other shops!

"LONELY GIRL" DISPUTES ADVERTISING QUALITY OF N.C.D.N.

THE *North-China Daily News*, senior British newspaper in Shanghai, popularly known as the "official organ" publishes a personal or "agony" column in its classified advertisements. The column is unique among newspapers of the world because it is frequently used, apparently, by persons interested only in assignations. It is remarkable that no public scandals or tragedies have resulted from advertisements appearing in the column, for many of the ads appear to have been placed in the paper with only the basest and lowest of motives in mind. Chief feature of the column are advertisements of foreign men seeking to "contact" attractive Chinese girls "for purposes of companionship." No other paper anywhere in the world would publish such advertisements, but they constitute the one and only diversion provided by an

otherwise exceedingly dull newspaper.

But to get back to the subject suggested in the heading over this paragraph, some bored young lady, recently arrived in Shanghai from England, wrote a letter to the correspondence column of the *N. C. D. N.* inquiring about how to get acquainted in a respectable manner. This inquiry resulted in a string of suggestions from kindred souls, one of whom, signing herself "Bored Blue" offered the following warning about the „Personal" ads referred to in the preceding paragraph. She said, "Of course, there are the 'personals' but I am told they are only put in by a 'certain type of person' and no decent girl would answer them, as to do so would be useless as well as dangerous if one were not willing to go in for amorous adventures with strange Don Juans or had no money to spend on derelict spongers and beachcombers looking for a good thing . . . ."

Before leaving the subject, the *N. C. D. N.* personals may have one redeeming virtue—they do take one's mind off the war, but many, we suspect, would prefer the war!

BUILT FINE NEW CAPITAL BUT THEY FORGOT EMPEROR'S PALACE

DOUGLAS Robertson, who writes for the *New York Times* in North China and Manchukuo, contributed an article on the new Manchukuo capital at Hsinking (Changchun) to the Sept. 11 issue of the *Times Magazine*. The article occupied three columns and consisted of an enthusiastic description of the new city which the Japanese have constructed for the Manchukuoans at their new capital city which the Japanese Army commanders decided should be located at Changchun, renamed Hsinking. Originally a typical mud-brick Chinese town on the windswept plains of North Manchuria, the place has been converted into a modern city of broad streets, so modern that the telephone wires have been placed underground. Also there is a modern waterworks system and a sewage disposal plant. The new city could accommodate between 500,000 and 1,000,000, but Mr. Robertson neglected to state how many people there are in Hsinking now. The original population was 120,000. The Japanese population is large, however, with the usual Nipponese trimmings, geisha houses, segregated district, cabarets, taxi-dancers, parks, flower beds, a Japanese golf course and an airport.

But the Japanese apparently forgot something when their architects and engineers planned the new Manchukuo capital. The omission is explained in the last paragraph of Mr. Robertson's article,

> "Hundreds of millions of yen have already been spent on construction of government and office buildings, stores, residences, parks and public utilities in Hsinking. Additional millions will be required for still other buildings which now exist only on blueprints. But one thing a visitor would expect to find in the capital city of Manchukuo is still missing—Hsinking does not have an Imperial Palace for the Emperor Kang Teh, though the site has been chosen and set aside. The Emperor, the former Henry Pu Yi, nominally rules and has been on the Manchukuoan throne since March 1, 1934, when the Japanese put him there. One hesitates to draw either significance or augury from this apparent oversight. In explanation it has been said that the Emperor himself has stated that he did not want any work done on an Imperial Palace until his capital city was completed."

Japan's Anxiety About the Expansion of the U. S. Fleet

THERE was significance in the fact that both Japan and Germany recently expressed anxiety about the expansion of the United States Fleet. The Germans especially were resentiful of a statement by Bernard Baruch, who was chairman of the U. S. War Industries Board in the World War, that developments in Germany and Japan, both of which countries "are armed to the teeth and seeking to control new fields of activity in the world," constituted a potential menace to the interests of the United States. Mr. Baruch made no mention of the activities of Japan in China, but expressed anxiety about German designs on South American countries.

Obviously he was aware of Japanese intrigue in Central and South American countries situated within striking distance of the Panama Canal and that the Japanese are now entertaining a so-called Economic Mission from Peru, the purpose of which according to reports in the Japanese newspapers lie deeper than matters of trade.

Mr. Baruch said that American expenditures on new armament, necessitated by developments in Europe (and the Far East) "will certainly attain several millards of dollars, but we must pay this price to give the voice of the United States authority in world affairs . . . . Aggressive nations are sensible only to force and power . . . . We must rearm only for defense purposes, but at the same time, on such a scale as to let the aggressive nations know that we are ready to defend our economic and political ideals . . . . It is in the North and South American countries that the future of the world will develop, and normally, the aggressor countries will try to penetrate there, just as they have already done for sometime. They have already tried to impose their ideologies with the aid of unfair commercial methods. The danger will become greater if aggressor states try to implant their system in this Hemisphere and obtain naval and air bases on the American Continent."

He recommended a special tax to defray rearmament expenses, and suggested the introduction of such a measure in the forthcoming session of Congress. The fact that Mr. Baruch's statement was made immediately following a conversation with President Roosevelt, had the effect of giving his words greater emphasis, although he denied having discussed the subject with the President.

That the question of expansion of American armament has become uppermost in American thoughts, as a direct result of recent developments in Asia and Europe is evident from recent press reports cabled to this part of the world. A report through *Havas* from Washington on Oct. 15 said that the U. S. War Department intended to ask Congress to vote for a measure increasing the Army's air force to 4,000 planes, the hope being that the program could be completed by 1940.

A further *Havas* report stated that developments on the Continent in Europe would greatly affect the United States' policies in both the Far East and South America. Up to the present Washington policy in the Far East was based upon the principle of common action by all European countries, particularly Britain, to protect their common interests. In the American Hemisphere, the policy was founded upon the preservation of the Monroe Doctrine, which could be assured by a relatively weak naval, military and air force. A "relatively weak" force would be sufficient because "Britain's naval might would guarantee the policing of the seas in the rest of the world . . . . But recent events in Europe have decided

American military, naval and aviation experts to make much greater efforts in these three fields . . . . because Britain will, in future, have to devote her chief efforts to protect the home country and the Empire's communication lines . . . . Also technical progress in aviation may decrease the value of naval defenses . . . . Finally, the U. S. must be ready to protect, all alone, the North American Continent . . . . and at the same time retain intact its prestige in South American countries."

The U. S. Naval budget for 1940, announced in Washington on Oct. 12, will mark an increase of U. S. $150,000,000 on the estimates for the 1938-1939 fiscal year, when the Naval budget totalled U. S. $546,866,000. The increase will be due to costs of construction of warships now in the yards and of other vessels newly authorized by Congress. A further element, not mentioned in the report was the recent announcement of plans for expending U. S. $100,000,000 on new cargo and passenger steamers to be built and operated by the Maritime Commission.

The new Atlantic squadron of 14 ships, recently completed, may shortly be enlarged by the addition of two 1500 ton destroyers now nearing completion in yards on the east coast. A spokesman in Washington declared, "It is an unsecretive fact that the President's decision was influenced by the results of recent European developments, particularly the temporary eclipse of Britain and France and the ascendancy of the more adequately armed Germany and Italy . . . . it was known by the President that the deciding factor at Munich was the dominant strength of the German air force."

A further item of interest was the granting of licenses for shipment to Great Britain of over U.S. £25,000,000 worth of American military planes, numbering some 400 units, which are now under construction in the United States.

Also of significance was the announcement on Oct. 5 that plans were being perfected for national mobilization of industries in order to avoid complications which developed at the time of America's entrance into the World War.

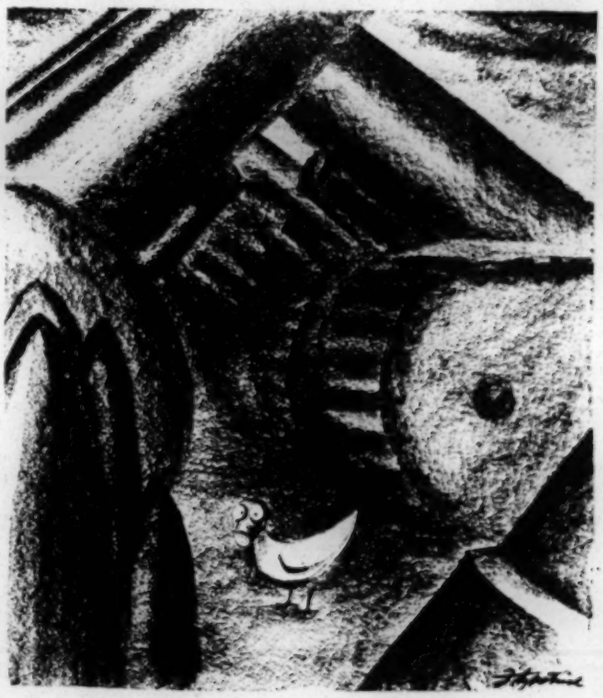
Will Durant, well known American author and philosopher, aroused considerable interest by his statement that it was the domination of Oriental trade markets by Europe that provided Europe with the riches to build up the mellow western civilization of today. "It is only by retaining this domination that Europe can continue to exist on its present basis, and the only way that she can continue this domination is through cessation of present feuds . . . . Europe must unite in a common front against the threatening Far East . . . . with a united Europe, I would favor the United States joining in a common front to stop the war in China . . . . But if Japan refused to yield to the demands of Europe, Europe should fight Japan as a united continent." . . .

The Foreign Policy Association, in a special report, pointed out that as it would be difficult if not impossible for Japan to purchase elsewhere the machinery, machine-tools, motor cars, high grade steels, certain fuels and lubricating oils available in the American market . . . . the United States could force Japan to abandon her campaign in China by application of economic sanctions . . . ."

The *Washington Post* declared that American isolationism and her refusal to differentiate between victim and aggressor . . . . was without parallel for pusillanimity, moral cowardise and stupidity . . . . Yet today some have the unmitigated gall to blame the British and French for surrendering . . . . the Johnson and Neutrality Acts actually encouraged German aggression . . . . the knife which Hitler wields today, we helped to place in his hands . . . ."

Alarmed by the developments in Germany and expansion of German economic interests in the Balkans and Turkey, the State Department announced that the United States was prepared to defend its trade interests in those areas amounting to U. S. $170,000,000 annually. The old statements of the isolationists and pacifists that it would be better to sacrifice foreign trade than resort to war, were obviously becoming weaker. In responsible quarters it was felt that the best way to become involved in war with aggressive nations was to follow a weak and apologetic action such as had characterized American policy in certain parts of the world.

PEACE DOVE: "MAY I COME OUT NOW"?



Fitzpatrick in Post-Dispatch, St. Louis.

A *Reuter* report from New York on Oct. 14 said that American investments in foreign countries, at the end of last year, exceeded foreign investments in the United States by U. S. $4,759,000,000, according to report of the Department of Commerce. American investments in other countries were estimated to consist of long-term investments totalling $11,074,000,000 and short-term investments totalling $721,000,000.

Present discussion about expansion of American armament, now realized as urgently necessary because of developments in Europe and the Far East have led to the belief that little has been done to bring American armed strength up to present-day requirements. But this view is not correct. The magazine *Newsweek* (Sept. 12) pointed out that while the United States, between 1920 and 1930 had practically wrecked its Navy and greatly reduced the strength of its Army, there had been a noticable change since 1930 in the awakening of the people to the country's defense needs. From 1922 to 1929 when the United States was laying down only 83,000 tons of new naval construction, Britain was building 325,000 tons; France 271,000; Italy, 204,000; and Japan, 324,000. When the World War ended the United States had the greatest military force on earth—4,000,000 men. By 1922 it had been reduced to 146,000 officers and men, with 227,000 in the reserves and National Guard. But developments in the Far East, beginning in 1931, and rumblings of coming trouble in Germany and Italy stirred Washington in 1933 to start a defense rebuilding program. Peacetime appropriations in 1937 reached highs of about U.S.$450,000,000 for the Army and $577,000,000 for the Navy.

Admiral William D. Leahy, Chief of Naval Operations, who announced that a fighting unit was to be

assigned to Atlantic waters for the first time since 1932, declared simultaneously that the Navy would have to increase its budget by at least $200,000,000 the next fiscal year. Secretary Swanson of the Navy Department disclosed that when the present program is completed the United States will have 272 fighting ships with a total tonnage of 1,517,480, as compared with 1,757,588 for Great Britain. As for planes the Navy has 1,623, including those of the Marines, and is authorized to build the airfleet up to a minimum of 3,000 units.

The Army, according to Secretary Woodring, might ask appropriations of more than $500,000,000 next year. At present the Army has 1,378 modern airplanes and expects to have 2,320 by the end of 1939. From its low point of 12,000 officers and 118,000 men five years ago its forces have risen to 12,760 officers and 165,000 men. The Army wants 15,000 officers and 180,000 soldiers. It is building up its own reserves of 75,000 enlisted men . . . . while the National Guard has 200,000 officers and men; its goal is 210,000. There are about 90,000 reserve officers and the goal is 120,000.

Of special interest the Army is slowly being equipped with the new Garand semi-automatic rifle, which, by a gas-operated mechanism instead of the traditional bolt action, can fire from 50 to 80 shots a minute. It will replace the historic bolt-action Springfield which fires an average of 20 shots a minute.

When "M-Day" (Mobilization Day) arrives, the U. S. Army will be able to place in the field an initial protective force of 400,000 men, and in the next four months to increase this to 1,000,000—of which 730,000 will be in organization, 270,000 in replacement. Plans are in readiness for a quick draft, for speeding up volunteer enlistments, for mobilizing industry, —and for combating civil disturbances anywhere in the country should such arise.

Both Japan and Germany have announced their opposition to any limitation of armament, declaring that every nation should have the right to develop its arms to suit its own national requirements. Both Japan and Germany are now following that course of action and the result has been violent programs of aggression on the part of both countries. It has caused other countries, particularly the United States and Britain to take steps to meet the competition. Recently both Japan and Germany complained at the American program.

When the Powers emerged from the World War, the United States had the strongest army and navy on earth. Japan, despite great profits made out of the war was unable to compete with the United States in Naval, construction. Japan therefore requested a conference on naval limitation. The United States, Britain and the other nations were willing, but before there could be limitation of armament, it was necessary to adjust various outstanding problems, most of which were concerned with Japanese aggression in China. The result was the Washington Conference on Limitation of Naval Armament and the Discussion of Far Eastern Questions.

Aside from deciding upon a program of naval limitation, the Powers also agreed to adopt peaceful means of adjusting their relations in the Pacific and at the same time agreed to respect China's territorial and administrative integrity and give this country a chance to develop independently of outside interference.

But Japan violated the treaties, denounced the naval agreements and announced her intention of following an independent course in the Orient, irrespective of the wishes of other nations. Today, Japan finds herself practically bankurpt and so deeply involved in China that extrication is impossible. In the meantime her chief economic and military competitors are rapidly increasing their armament.

Recently, as stated, the Japanese complained at the American rearmament program. All intelligent Japanese excepting the dumb militarists, realize that Japan cannot compete with other nations when all of their country's treasure is being sunk in the Chinese morass.

One wonders whether the American rearmament program may not provide the real key for the solution of the Far Eastern impasse.

INVASION OF SOUTH CHINA DIRECT RESULT OF MUNICH ACCORD

INNUMERABLE explanations and rumors are in circulation regarding the Japanese intervention in South China, and the failure of the Cantonese to oppose the landing of Japanese troops at the coastline.

It has been rumored in Shanghai that Gen. Wu Teh-chen, Chairman of Kwangtung, complained to the British consular authorities about their failure to warn Canton of Japan's plans. That Cantonese officialdom must have been aware of the Japanese move was evidenced in several *Reuter* reports of Japanese movement. The first *Reuter* message telling of the loading of transports here was issued on Oct. 7 at 7:15 P. M. The telegram stated that the transports appeared to be sailing south. Three days later *Reuter* issued a further report telling of similar concentration and loading of transports at Formosan ports. On Oct. 9 there was definite confirmation of the movement of Japanese transports, forecasting a landing in the South within two weeks. It was reported that Canton refused to believe these warnings and claimed that the transports contained wounded Japanese troops from the Yangtsze front.

The *Shun Pao* (Shanghai, Oct. 18) said that the intervention in the South resulted from the deadlock on the Yangtsze, the Japanese objectives being threefold: (1) Weaken Chinese resistance on the Wu-Han front; (2) Cut off direct communications between Wu-Han and the outside world; (3) Force Britain to bring pressure on China to cease resistance and enter negotiations with the Japanese. Continuing, the *Shun Pao* said that after the Munich Conference, where Britain and France had exposed their weakness and had compromised at the expense of Czechoslovakia, the Japanese felt quite free to take definite action in South China. Japan believes that Britain will react in the Far East just as she did in Central Europe. The *Shun Pao* insisted, however, that conditions here are different from the situation in Central Europe and that China's demonstrated determination to resist and continue resistance, will prevent any "realistic" attempt from the outside to force China to accept a dishonourable peace.

In conclusion the *Shun Pao* expressed the view that Japan's drive into South China will increased the conflict between Britain and Japan. "Our resistance will destroy Japan's illusion that she can, by intervening in the South, persuade Britain to force China to accept mediation. On the other hand it will have the ultimate effect of causing Britain to extend to China more substantial assistance than has been the case in the past."

Unless there is subtle strategy (or treachery or bungling) in Canton's delay in opposing the Japanese advance which is not yet apparent to the public, there are only two other explanations: First, Kwangtung has sent all available man- power to the Wuhan front and has no further force available for home defense; Second, Canton depended upon British assurances that Japan would not dare an invasion of Hongkong's "life-line." Since the British Ambassador, Sir Robert Craigie has been in constant contact with the Japanese Foreign Office, he must have been aware that the resignation of Gen. Ugaki, Japanese Foreign Minister was due, partly, to the decision of the Japanese General Staff to intervene in South China. One wonders why the Chinese were not informed?

The Japanese recently boasted that their merchants in Hongkong had been secretly warned sufficiently far ahead (Oct. 1) to prevent them from suffering any losses resulting from the intervention.

The most logical explanation of Canton's failure to oppose the Japanese at the shoreline, as the Chinese forces did at Shanghai, seems to be that Canton placed too much dependence upon British assistance and failed to heed the significance of the Munich accord—at the expense of the Czechs!

As indicated in reports from various quarters, Japanese intervention and establishment of a base in the South constitutes the most dangerous threat to the positions of the Powers in Asia—Britain at Hongkong and Singapore—France in Indo-China—Netherlands in the East Indies—America in the Philippines. The Japanese, by surrounding Hongkong on the land side, will make that British Colony bankrupt and useless. By linking up with Siam, the Japanese can threaten French Indo-China, Burma and the South Seas, including the Philippines, Netherlands Indies and Straits Settlements.

The fact that the United States sent a part of the Asiatic Fleet to Hongkong a few days ago is encouraging. Let us hope that it is the begining of CO-OPERATION TO BRING PRESSURE ON JAPAN RATHER THAN CHINA!

Unless the Powers do take action, Japan's intervention will definitely force the Chinese to adopt the red program. We imagine that there was much secret rejoicing in Moscow when the news of Japan's latest move was received at the Kremlin!

Konoye and Itagaki Urge One-Party System—Writer Demands Seizure of Concessions

NOT satisfied with domination of the Cabinet, Japan's warlords, working through the weak Premier Prince Konoye, are now attempting to bring about a fusion of existing political parties under an army dictatorship. Several conversations on the subject have taken place between Konoye and representatives of the major parties, Minseito and Seiyukai.

Taking advantage of the impending creation of the China Affairs Board, the military leaders are demanding a complete reorganization of the system of government. Projected reform will be based upon the following three points:

1. To expand the scope of unrestricted appointment and the scope of appointment for special reasons or by selection, for all officials (of the civil service) of the Chokunin rank.
2. To revise the Civil Service Limitation Ordinance and set limits to the system of guaranteeing the security of the position of government officials.
3. To revise the ordinance concerning the examination for the higher civil service and give considerations from the standpoint of personality and character.

The plan was strongly opposed by the conference of permanent vice-ministers and the Privy Council but found favor with such high officials as War Minister Gen. Itagaki, Home Minister Admiral Suetsugu and Education Minister Gen. Araki. These leaders emphasized that the present system should be reformed as soon as possible, not only for the purpose of securing necessary talent for officialdom but also as a "thought" reform to herald a sweeping renovation of the domestic system of the nation. Premier Prince Konoye was in a difficult situation, because any thorough-going reform of the present system of appointing officials would meet with serious opposition from the Privy Council, while a lukewarm formula would fail to satisfy the military elements.

Over burdened with his manifold duties, Konoye was trying to find a "full-time" Foreign Minister. Since several Japanese diplomats had rejected the offer, Prince Konoye was reportedly considering the appointment of Yosuke Matsuoka, President of the South Manchurian Railway, to the post. Matsuoka, as the chief Japanese delegate at the League of Nations in 1933 was largely responsible for Japan's withdrawal from Geneva. He is an advocate of an "energetic" foreign policy and has close relations with the Kuantung Army in Manchukuo.

To speed up Japan's exploitation of the resources in North China, a Japan-China Economic Association will shortly be established at Tientsin composed of representatives of the Japanese Chamber of Commerce and Industry at Tientsin, the Tientsin Municipal Commercial Association, and the other leading Chinese and Japanese trade organizations as well as banks.

German and Japanese sources made interesting revelations regarding the commitments of both countries in the Anti-Comintern pact. While the character and terms of the pact remained a secret, it was asserted that no military alliance existed among the three nations.

Regarding the statement of Wang Ching-wei, chairman of the Central Political Council, to a representative of the German *Transocean* agency at Chungking that deep concern was felt in China at persistent rumors of the existence of a German-Japanese military pact, Berlin declared that the Anti-Comintern agreement merely stipulated co-operation of the signatory powers in combating Communism. Beyond that it was alleged, no secret agreement—either of military or any other character, had been entered into either at the time of the signature of the Anti-Comintern pact or subsequently. Therefore, Berlin flatly denied the rumors of existence of a German-Japanese military alliance.

Pleading for friendship of the United States, Jijui G. Kasai, member of the Japanese Diet, declared at San Francisco that no military alliance between Tokyo and Berlin existed. He was quoted as saying, "We learned our lesson when our Ambassador visited the German Foreign Office and was told that Germany's sole assurance in the event that the Russo-Japanese boundary dispute resulted in war was "moral support!" "That convinced us," he stated, "that Japan must remain friendly with Britain, and more particularly the United States."

Meanwhile, dissatisfaction was expressed in Tokyo with the German *Transocean Service* in China, which was being charged with maintaining an anti-Japanese attitude in reporting on China events. A leading Japanese daily declared that, "the Shanghai and Hongkong bureaus of the German *Transocean* service still remain strong in their pro-Chinese color, irrespective of the attitude of the German Government towards Japan."

Another flagrant example of Italy's open support of Japan's present aggressions in China was furnished last week (Oct. 13), when Mussolini received members of the Japanese mission now visiting in Rome. Taking advantage of the occasion, Mussolini reiterated Italy's friendship for Japan and expressed conviction that Japan would be victorious in the China campaign.

Mamoru Shigemitsu, newly appointed Japanese Ambassador to Britain, was scheduled to assume his post on Oct. 22. Shigemitsu succeeds Shigeru Yoshida, recalled. The Soviet Government has approved of the appointment of Shigenori Togo, Japanese Ambassador to Germany, as Ambassador to Moscow, succeeding Mamoru Shigemitsu.

Seugo Nakano, Japanese writer, urged in the August number of *Nihohyoron* (*The Japan Critic*) the occupation of the Hainan Island, isolation of Hongkong from the Chinese Mainland and seizure of all foreign settlements and concessions in China. The article, entitled "A Long-Range Project on the Continent" provoked serious discussion in both diplomatic and foreign business circles in Tokyo. Besides being a member of the Japanese Diet, Nakano is president of the Oriental Association, which derives its backing from aggressive Japanese militarists. He may be rightly taken as a spokesman of Generals Itagaki and Terauchi. Last year, Nakano visited Germany and Italy at the head of a goodwill mission. His article, in which he urged positive actions toward the British and French interests in and around China, was believed to have been inspired by Gen. Itagaki, whose protege Nakano has been for many years. A significant point in the article was that to make the situation intolerable for Great Britain, Japanese should advance on Kwangtung. Hongkong was only separated by a channel from the mainland where the Kowloon Leased Territory forms its important appendage. Hongkong is Great Britain's military, political, economic and financial base in the Far East. If the Japanese occupy Kowloon, Hongkong would be in a helpless situation. The article further stated that Japanese conquest of Kwangtung would not only sever China from her main source of arms supply but still more important, would isolate Hongkong from the Chinese Mainland.

The article assumed unusual significance, in view of the present Japanese invasion of South China, and the probability that the Japanese may succeed in isolating Hongkong from the Chinese mainland. The extension of hostilities in South China may also presage Japanese occupation of Hainan Island, which the Japanese threatened to do several months ago. The article provided much food for thought on the part of British and the French whose weak policies have resulted in encouraging Japanese aggression in the Orient.

Ignoring threats that he would be deprived of his citizenship and his ancestral tombs in Ningpo would be destroyed, Fu Siao-en, 67-year-old Shanghai banker and former Chairman of Chinese Chamber of Commerce, formally assumed office on Oct. 16 as the new "Mayor" of Greater Shanghai Municipality. Fu succeeded Soo Hsi-wen, a Formosan who lost out in his struggle for power with the Nanking puppet group headed by Liang Hung-chih.

Inauguration of Fu Siao-en as new Shanghai "Mayor." Front row (seated): Left to Right: Rear-Admiral Naokuni Nomura, Chief of the Japanese Navy Special Service Section; Soo Hsi-wen, ex-"Ta Tao Mayor," now "Secretary General" under Fu; Masayuki Tani, Japanese Ambassador-at-Large stationed at Shanghai; Fu Siao en; Liang Hung-chih, President of Executive Yuan of the Nanking "Reformed Government;" and Maj.-Gen. Kumakichi Harada, Chief of the Japanese Army Special Service Section. With few exceptions, all the others in the picture are Japanese Army and Navy officers.— *Japanese Press Union Photo.*

The inauguration ceremony was held at the Civic Center, closely guarded by Japanese troops. Although Fu previously asked his Chinese and foreign friends to attend the ceremony, none however, accepted the invitation. Consequently, the ceremony was witnessed exclusively by Japanese officers, a few Japanese diplomats, and employees of the new "Municipal Government."

In a statement evidently prepared in advance by his Japanese advisors, Fu declared that his "administration" would be based on the following policies:

1. Suppress communistic activities;
2. Promote friendly relations with neighbors;
3. Maintain treaties;
4. Increase happiness of the people;
5. Facilitate the work of reconstruction; and
6. Promote government by benevolence.

Handbills announcing the formation of the new regime were dropped by Japanese airplanes which flew over the area under Japanese occupation in the neighborhood of Shanghai. A huge red neon sign was also

installed on the Pootung shore of the Whangpoo River, flashing on and off the ten characters, reading: "Shanghai Special Municipal Government Is Established."

The Japanese made much of the occasion and spoke commendingly of Fu as the ideal man to play a leading role in Shanghai.

Masayuki Tani, Japanese Minister-at-large in Shanghai said, "It is a matter for sincere congratulations that the Special Municipality of Shanghai was created at this juncture with a man of such noble character as Mr. Fu, who has lived here for many years, contributed materially to public welfare, is well-known to business circles and enjoys the confidence of foreigners as well as Chinese."

The question of disposal of Soo Hsi-wen was finally settled by compromise. It was reported that Soo, after relinquishing his Shanghai post would be made Chairman of the Chekiang Provincial Government. But due to opposition in Chekiang the proposal had to be dropped. Soo wanted to be the Financial Commissioner in the new Shanghai municipal administration, but this was frustrated by Fu, who insisted that the post must be reserved for his man. Finally, as a compromise, Soo was offered and accepted the post of "Secretary-General" under Fu. However, Soo would continue to draw his present salary of $3,000, plus a monthly allowance of $1,000.

Fu's action was denounced by leading Ningpo merchants in Shanghai. It was also reported that Fu's son, Ping-kwei, who is also a banker connected with the Chung Wai Bank, emphatically opposed his father's action and contemplated allegedly, renouncing his filial ties with his parent.

The Ningpo Guild in Shanghai petitioned the National Government, that Fu's property at Chinhai in Ningpo be confiscated. Bitterly condemning Fu for his acceptance of the post, the petition declared that his treacherous act constitutes a great disgrace to all people in Ningpo and urged that punishment be meted to him as warning to other traitors.

Commenting on Fu's acceptance of the position of "Mayor" of Shanghai, the *North China Daily News* British "official organ" stated that the securing of such a man as Fu must be regarded as an important success for the Japanese. Regarding Fu's taking up the post, there were at least two ways of looking at it, the paper said. One type of thought would regard Fu's adhesion to the invaders of China as a traitorous act, denying the existence of any sense of loyalty and subordinating to individual ambition the duties which patriotism expects of the citizen. If Fu in deciding to assume the office had done so for the service of his own ends he must stand condemned. On the other hand, the paper suggested that he might have been actuated by the most praiseworthy of motives, but the close association of the Japanese with his appointment constituted a serious handicap.

Yu Ta-hsiung, founder of the "mosquito paper," *Crystal*, was murdered (Oct. 17) in his suite at 601, New Asia Hotel, headquarters of pro-Japanese politicians in Hongkew. As in the case of Tang Shao-yi, Yu was killed by a hatchet. Yu was one of the most active members of the puppet "Reformed Government." He held concurrently six posts, namely, Counsellor of the Ministry of Industry of the "Reformed Government," President of the *China United News Agency*, Secretary of the Executive Yuan, Director of the Bureau for the Sale and Transportation of Tea, President of the *Industrial Daily News*, and Manager of the Shih Hsin Advertisement Company. Well-informed circles stated that he was bitterly hated by other pro-Japanese politicians because of his power and position. Wang Tung-lu, Chinese traitor in Yuhang, was recently executed in Hangchow on charges of offending against the Japanese authorities. Three of Wang's assistants were reported to have also been arrested by the Japanese for questioning and threatened with similar fate.

Strong Chinese resistance on the Yangtsze front, disagreement among the Japanese promoters themselves and implacable jealousy between officials of the Peiping and Nanking regimes were cited as the main reasons for the failure of the Japanese to bring about the projected amalgation of the Nanking and Peiping groups into a "United Government."

Each backed by rivaling Japanese military factions, the two regimes advanced demands which were unacceptable to each other, but under the pressure of their Japanese overlords had agreed on one point, to organize the Joint Commission to please Tokyo. Under this arrangement, the two "Governments" agreed to hold monthly joint conferences with Peiping and Nanking as alternative venues.

The first conference was held at Peiping shortly after the conclusion of the Dairen confab which was summoned by Gen. K. Doihara of the Japanese Special Service Department to discuss preliminary plans for amalgamation. The second conference was expected to be held between Oct. 20 and 30 at Nanking, where a delegation of the Peiping group was expected shortly. It was reported that Wang Keh-min, head of the Peiping regime, would lead the delegation.

The amalgamation of the two regimes, which was to have taken place on October 10, Chinese national day, was still strewn with difficulties. The problems of dividing revenues between them, the apportioning of high posts among officials of each and the question of the seat of the projected "United Government" were practically impossible of satisfactory solution. It was believed that the issue would drag on until the Japanese force them to come to terms.

Early in September, Japanese authorities expected the fall of Hankow by the end of that month and to instal the new "Government" on Oct. 10. It was also planned that diplomatic recognition was to have been extended the new regime by Japan and "Manchukuo" simultaneously.

A possible solution to the mystery of the assassination of Tang Shao-yi, aged Chinese statesman and first Premier of the Republic, was provided by a report in the *Morning Leader*, alleging that Chen Chun-fu was deeply involved in the affair. Chen, a leading pro-Japanese politician and close associate of Gen. K. Doihara, was formerly chairman of the Foreign Affairs Commission under the Hopei-Chahar Political Council. Previously, he stayed in South China for several years as secretary to the late Hu Han-min.

According to the report in the *Morning Leader*, when the Chinese Government refused to consider mediation plans, the Japanese authorities were extremely anxious in persuading either the late Tang Shao-yi or General Wu Pei-fu to become president of the planned "United Government." Gen. Doihara and Chen were instructed with the execution of the mission.

Chen was first sent to Shanghai and later to Hongkong to persuade Mr. Tang to accept the post and to engineer a revolt in South China against the National Government. In Hongkong, Chen, however, failed to make any contact with the Southwest leaders, while in Shanghai Mr. Tang refused to receive him, although rumors were current that Mr. Tang had consented to take up the post after the fall of Wuhan cities. Doihara also attempted to see Mr. Tang but likewise failed.

Thus the *Morning Leader's* report alleged that it was because of the stubbornness and refusal on the part of Mr. Tang to see Doihara, that Chen failed in his mission and finally decided to make arrangement to assassinate him. After Tang's death, Chen was reported to have returned to Peiping and continued his activities there in order to force General Wu Pei-fu to become the puppet head of the "United Government."

To raise more funds, the puppet Kiangsu Provincial Government at Soochow was planning to levy a business tax in areas in the province under Japanese occupation. A bureau for the collection of the tax would be established at the end of this month with one Wang Pei-ping as director.

In Kashing, Chekiang province, a house tax was also to be levied beginning from November. The rate of the tax would be 15 per cent of the monthly rent for shop owners and 10 per cent for residential houses. Heavy fines would be imposed on those attempting to evade the tax.

Paying their first visit to their Japanese overlords, a group of 16 Mongolian officials headed by Prince Teh and Li Shou-hsin,

Everybody's Happy

Premier Has Talk With Pro-Japanese Writer

Asahi Shimbun, October 14, Tokyo

Mr. Henry Woodhead, editor of "Oriental Affairs," of Shanghai, who is a pro-Japanese writer now in Japan, interviewed Foreign Minister Konoe at the official residence of the Foreign Minister at Kasumigaseki at 2:15 o'clock yesterday afternoon through the good offices of the Foreign Office authorities.

Foreign Minister Konoe expressed his appreciation of the labor of Mr. Woodhead who from beginning to end has consistently upheld his fair and just views most unflinchingly. Then, the Premier had various talks with him.

Mr. Woodhead in turn thanked the Premier for his goodwill, and left Tokyo at 9:40 o'clock for Kobe, whence he intends to return to Shanghai.--THE OKUYAMA SERVICE, Tokyo, October 14.

chief and deputy chief of the puppet "Federated Mongolian Autonomous Government," arrived at Dairen en route to Japan.

Anti-war sentiment was mounting in Japan due to the prolongation of hostilities in China, according to reports received at Hongkong from Tokyo. The movement was largely fostered by Japanese wounded soldiers who returned from China. These soldiers were said to be tired of war. Another Tokyo report stated that banditry in Japan was increasing. Many cases of robbery recently occurred and the Police were powerless to suppress them. The present stalemate in the Japanese campaign in China is reported to have compelled the Japanese authorities to resort to high-handed measures to deal with popular movements.

A report from Formosa stated that between Oct. 8 and 11, several minor outbreaks were staged against the continued military operations in China. Scores of policemen were reported to have been killed during the clashes. As a result of these uprisings, the military authorities had arrested more than 500 Formosans and some 40 Japanese, over 200 of them were allegedly executed.

Declaring that Japan's present invasion of Kwangtung is her last desperate attempt to win the war, Wang Ching-wei, Chairman of the Central Political Council, urged the Cantonese leaders and people to redouble their efforts for the attainment of the ultimate victory. Since the campaign of resistance was started on the entire front, Mr. Wang said, Cantonese officers and troops had repeatedly proved their valor and patriotism on the battlefield. Now that the Japanese have landed on the Kwangtung coast and commenced large-scale invasion, Mr. Wang appealed, every Cantonese patriot should take up arms to resist the invaders and to defend the national territory.

General Wu Te-chen, Chairman of Kwangtung, addressed a circular message to overseas Chinese in America and other countries, appealing to them for further contributions for the relief of war refugees in Kwangtung.

Confidence that 35,000,000 people of Kwangtung province, the cradle of Chinese Revolution, will be able to ward off the Japanese invasion, was expressed by the Central Kuomintang Headquarters at Chungking in a telegram to all members of the Party in Kwangtung. Patriotic and well-organised as they have always known to be, the people of Kwangtung are urged to do their best to resist the invaders.

General Chiang Kai-shek received a telegram from the All Sinkiang Congress, congratulating him on the recent victory in the Tehan sector. The messages reiterated the determination of the Sinkiang people to support the Government's campaign of resistance and national reconstruction.

Progress in Sinkiang was described by Li Yung, Chairman of the province, in a report made at the All Sinkiang Congress. According to Mr. Li, the total of farming loans in the province which amounted to $165,000 in the 23rd fiscal year, has now reached $805,000 and the number of schools has been increased from 135 to 283 and that of students from 1,209 to 40,327. Students at Tihua, capital of Sinkiang, have collected a sum of $600,000 for the purchase of airplanes to be presented to National Government.

Chen Liu-shih, Chairman of the Chinese Rubber Merchants' Guild in Singapore, has remitted to the Central Authorities a personal contribution of $100,000 for the relief of war refugees.

Chen Kung-po, former Minister of Industry, was appointed Chairman of the Executive Committee of the Szechuan Provincial Party Headquarters.

Chen Yi, Chairman of Fukien, was now on his way to Chungking, where he would interview the Government leaders and report on the situation in his province.

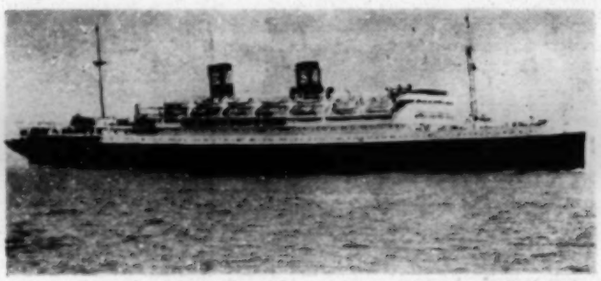
Major Tan Tsan-hua, Chinese battalion commander, died a heroic death on October 10 at Kichun, on northern bank of the Yangtsze, in southeastern Hupeh. Despite concerted attacks by the Japanese land, naval and air forces, Major Tan's battalion offered stubborn resistance for 48 hours. Greatly outnumbered by the enemy, the officers and soldiers of the entire battalion were killed in the fighting.

In order to strengthen the teaching force of the various middle schools, the Ministry of Education has decided to establish a new Teachers' College at Anhwa, in Hunan. The College is expected to open next month.

Long-Absent Dollar Liner to Visit Shanghai

THE liner President Coolidge, first Dollar Line vessel to put into Shanghai in more than a year, will tie up at buoys 11 and 12 in the Whangpoo River, Sunday, Oct. 23, and set sail the next morning for Japan, Hawaii and California. With her will go a "moderate" passenger booking and several hundred tons of cargo. Aboard, when she arrives in port from Hongkong and Manila, will be a small amount of cargo, principally United State Government cargo.

The call of the President Coolidge here is a "special case," company officials declared. No information has yet been received



S.S. President Coolidge, stranger to Shanghai

they said, whether or not regular calls here by the Dollar Line ships can be expected in the near future.

Mr. William Hunt, president of the W. P. Hunt & Company, who recently returned here from a trip to Hawaiii put his blessings on the reorganized Dollar company, and declared that confidence in the future of the American merchant marine on the Pacific is now general among important business interests. Said Mr. Hunt:

"The selection of Senator William Gibbs McAdoo as chairman and Mr. Joseph C. Sheehan as president of the revamped Dollar Line is one of the most intelligent and well-guided acts that could have been made. Both of these appointees of the Maritime Commission will enjoy the wholehearted confidence of the American public on their records alone. These men announced that the President Coolidge would call at Shanghai five days after they took office. This action alone augurs well for the resuscitation of the American Merchant Marine in the Pacific."

The construction of four new trans-Pacific liners of an improved "President Coolidge" design is projected, Mr. Hunt said, confirming earlier reports received here.

The career of Senator McAdoo of California, chairman of the new board of directors, has been a varied one. He is now a man over 70 years of age. During the administration of President Woodrow Wilson he was the Secretary of the Treasury of the United States. He was also an important figure in the company that built the Hudson River railway tunnel connecting Manhattan Island, New York City with New Jersey. The building of this tunnel was a pioneer engineering feat of the time involving numerous difficult problems in engineering, politics and finance.

Mr. Sheehan joined the United States Maritime Commission as a close associate of Mr. Joseph P. Kennedy, first chairman of the commission and present United States Ambassador to the Court of St. James. Sheehan, who resigned from the commission to become president of the reorganized steamship line, was formerly a practicing lawyer and financier in New York City.

Japanese Drive for Canton Hits Little Resistance

By the morning of Oct. 20, Japanese forces had passed through Sheklung at a fast clip and were within 35 miles of Canton. Chinese announced that they were to make a definite stand to hold their inner lines with a 15-mile radius of the city. Chinese reinforcements were hurrying from Hankow and Kwangsi.

CAUGHT napping after more than a year of military preparedness against a South China invasion, a handful of Chinese troops this week were no match for hordes of Japanese soldiers who marched as fast as their bandy legs would carry them across nearly 50 miles of Chinese territory, after landing at Bias Bay, Oct. 12, charging on past Aotow at the bay's head, through Tamsui, smashed the strategic fortification at Waichow and then swept beyond Poklo where either because of insufficient men or at last a stiff Chinese resistance, they came to a halt on Oct. 19. Before them was some 80 miles to Canton.

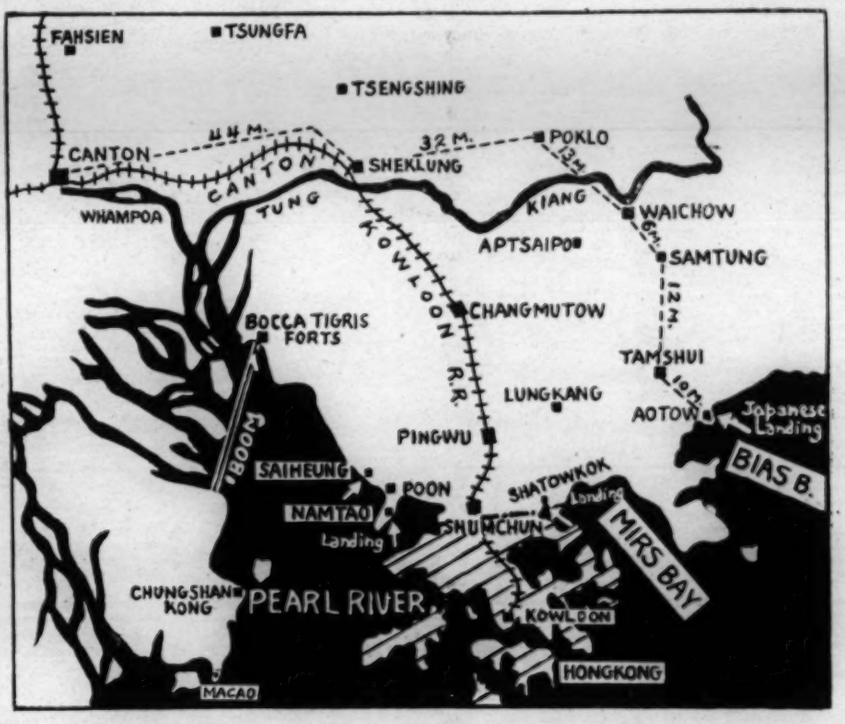
Meantime, on the same day, navy planes had dropped some 200 bombs on Sheklung on the Kowloon-Canton Railway, and reduced it to a heap of rubble, and later from Hankow came news that the railway, in which British have large interests and which is of utmost economic importance to Hongkong, had been cut.

That the line would be cut appeared imminent when on Oct. 16, Japanese troops landed in the Poan district, near Namtau, in the Pearl River delta and on the west side of Kowloon Peninsula, which meant that two forces, from east and west, were driving toward the railway.

Meanwhile, in Canton, the city prepared to fight, massed troops, declared martial law, began the evacuation of citizens, executed General Mo Khei-tak, commander at Tamsui who, making merry at the time Japanese forces landed, fled to Canton when news of the invasion reached him.

While Chinese claimed that by Oct. 19 they had driven back the vanguards of Japanese troops towards Poklo, the Nipponese already had occupied some 500 towns and villages in South China with a population of more than four millions, and the feat has caused the expression of astonishment in many a foreign circle this week. Others, optimistically believed that the Chinese were concentrating their forces secretly in order to offer a large scale battle.

This week, three prominent names in Chinese military forces, loomed large in the defense of South China. There were General Ho Ying-chin, minister of war and commander-in-chief of the government forces in the Kwangtung-Fukien War Zone, who is reported to be assuming command of the military operations in the south. General Pei Chung-hsi who was reported to have arrived to handle a similar post, and General Li Tsung-jen, who is said to actively engaged in directing defense strategy. Favorite comment of Chinese military spokesmen was that the Japanese invasion of Kwangtung is designed to cover up their difficulties and reverses in the Hankow drive.



P. C. Chen, China Weekly Review.

Map showing the advance of Japanese troops in South China over a period of seven days. Note Pearl River boom at Bocca Tigris Forts, blockading the Japanese Navy's advance. By the night of Oct. 19, land forces had captured Sheklung on the Kowloon-Canton Railway and had advanced with 35 miles of Canton.

Warning Given Third Powers

Diplomatic representatives of third Powers were requested this week by Masayuki Tani, Japanese Minister-at-Large, acting at the instance of Japanese naval authorities, to take steps to warn third Power Nations to avoid the zones of hostilities in South China and to mark foreign property clearly so that it can be distinguished from the air. Severe fighting was expected to take place within a radius of 200 kilometers around Canton and 100 kilometers around Swatow, and third Power nationals were requested to refrain from traveling in those areas.

Tani also sent to the diplomatic representatives copies of a memorandum in which the Japanese authorities expressed appreciation for the information which the various Powers had given regarding the location of their vessels on the Yangtsze. The Japanese naval authorities expressed a hope that, with the progress of hostilities toward Hankow, those Powers which had not given such information on the movements of their vessels would do so in the future.

The world waited this week for a reaction from Great Britain and France, both of whom have large industrial and financial interests in South China which obviously are threatened by this new episode in the Sino-Japanese war. Up until late this week, none was shown, except a casual conversation the British ambassador had with the Tokyo Foreign Office over the possible shortage of vegetables in Hongkong—a matter which was taken care of by the s.s. President Coolidge which hauled a supply from Manila.

German Reaction

But in Germany, the press followed the war with keen interest. Commented the *Frankfurter Zeitung:*

"The Japanese have so often defeated their opponents, they have conquered a territory as large as Germany—perhaps still greater—but they have up till now only been able to drive back Marshal Chiang Kai-shek whose power has thereby always increased." The rapid success of the Japanese at the beginning of the campaign, continued the paper, does not necessarily imply that their further advance will be as easy. "The tenacity and bravery of the Chinese troops in South China are proverbial in the whole Far East. The capital of South China will be far more stubbornly defended than Bias Bay."

Other Press Comments

The *Japan Advertiser*, American owned and managed Tokyo newspaper, said: "To capture Hankow is to capture Hankow. But if the capture of Hankow coincides with the taking of other cities in South China, completely cutting off Gen. Chiang Kai-shek's armies from the coast, his further resistance will become virtually impossible." The *Advertiser* said the fact that the Japanese attack took place in a part of China where French and British interests predominate is proof of the diplomatic risks Japan is prepared to run; that she has assessed those risks with one eye on Munich and the other on the entire course of present hostilities and reached the conclusion that they are not very great.

The *Shanghai Mainichi* noted that in spite of efforts to draw third powers into Sino-Japanese difficulties, repercussions caused by the operations of Japan in South China have died down.

The *London Times* said that Sir Robert Craigie, British envoy to Japan, had received and transmitted to London most specific assurances from the Japanese government that Japan desired scrupulously to respect British rights.

The *Manchester Guardian* was of the opinion that the "Munich agreement confirmed the extremists' belief that the British Empire is not ready and not willing to fight except in extreme necessity."

Japanese Claim

Developments on the Central China fronts took a spectacular turn as Japanese shock troops crushed the last Chinese defense lines around Teian and Yanghsin south of the Yangtsze and captured both towns Oct. 17 within a period of a few hours, *Domei* field reports relayed here from Tokyo claimed.

Teian, highly strategic town half way between Kiukiang and Nanchang, toward which the Japanese columns have been driving for the past two months, was captured Oct. 18. About two hours earlier other Japanese columns battered their way into Yanghsin, important Chinese base east of Sienning on the Canton-Hankow Railway, the *Domei* dispatches from Tokyo asserted.

Britain Is Aiding China

BY DR. UJIRO OYAMA*

HOW far the Ugaki-Craigie conversations have progressed we do not know. But what is certain is that Great Britain wants Japan to respect her rights and interests in the Chinese territory occupied by the Japanese troops. It is said that the Sino-Japanese conflict has thus far been responsible for more than 100 incidents about which Great Britain has made claims for damages to, or otherwise made demands upon, the Japanese Government. Among such demands are free navigation in the Yangtsze River, permission to unload goods at Shanghai wharves and to use Shanghai ware-houses, the right to return to Hongkew and Yangtszepoo Road, dredging of the Whangpoo River, control of the Shanghai-Nanking and the Shanghai-Hangchow Railway, free entry of foreign vessels to Tsingtao, etc.

It has been Japan's fundamental policy since the beginning of the Sino-Japanese hostilities to respect the acquired rights and interests of the third Powers concerned. Japan is not chary of admitting Britain's claims, in so far as they are just and legitimate. But it must be remembered that most of the problems pending between Great Britain and Japan relate to the territory where war is going on, territory where Japan and the Chiang Kai-shek regime are carrying on large-scale hostilities. Japan must, in the circumstances, enjoy absolute freedom of military operations in the occupied areas. It is all very well to talk about respect of the rights and interests of third Powers, but that is feasible only when the Powers concerned fully understand the present situation in East Asia and particularly the position of this country. If, therefore, a Power or Powers, in their eagerness to have an eye to the main chance, ignore Japan's position and go so far as to take an unfriendly or hostile attitude, then Japan will have to adopt firm measures accordingly.

It is a patent fact that ever since the outbreak of the present conflict Great Britain has been placing at General Chiang's disposal a widespread network of communications to facilitate anti-Japanese propaganda and has been allowing arms to be supplied to China through Hongkong. In supporting the Chiang regime in every possible way Great Britain has acted and still is acting as if she were China's ally. British residents in China, both officials and non-officials, have been and are strictly observing the Chinese order to carry out light control against air raids in the areas under the sway of the Chiang regime, but in the territory in Japanese occupation they have often hampered Japanese military operations by disregarding Japanese requests to control lights. Then again, when Japan advised the third Powers to remove their warships and merchantmen from the battle zone of the Yangtsze to places of safety, the American vessels promptly followed our advice, but the British vessels took no notice of it and remained where they were, giving thereby every facility to the Chinese troops in their retreat.

Aid to China

Regarding the Yangtsze free navigation question above referred to, it must be remembered that Great Britain claimed her right to navigate freely as soon as the Japanese troops occupied that portion of the Chinese territory, despite the fact that she did not even complain of the blockade of the river carried out by the Chiang regime at the beginning of the conflict. Moreover, there can be no doubt that Great Britain is continuing to give financial support to the Chiang regime. According to the statements recently made by both the British Prime Minister and the Foreign Secretary, no change seems to have been made in Britain's China policy. This may be inferred from the fact that the British Ambassador to China, acting up to this policy, is maintaining close relations with the Generalissimo.

The Chiang regime is Japan's enemy. To give it assistance is unquestionably to take hostile action against Japan. In the light of this fact, it seems very selfish of Great Britain to want Japan to treat her with goodwill while showing herself anything but friendly towards Japan.

Some British people who are over-confident of British influence in the East are evidently under the impression that Japanese rights and interests along the Yangtsze valley will not be successfully maintained without Britain's understanding and co-operation. Such a conception is an amazing anachronism. It is true that Britain's supremacy along the Yangtsze once constituted a chapter in Oriental history, but today it is but a memory. A complete change has taken place. It is now Great Britain rather than Japan that must needs seek understanding and co-operation.

Unfortunately, however, the majority of the English people have not as yet realized this. In consequence, they are inclined to think that they are still in the position of giving, and not of seeking, adjustment of Anglo-Japanese relations, and that Japan should settle the numerous pending problems as a means of obtaining such adjustment. What is more, Great Britain is expecting that Japan will find it expedient to settle these problems. We are afraid, however, that Great Britain will be disappointed in her hopes, unless she alters her China policy and her attitude towards this country.

Retreat of China

It will not be long before Hankow falls. The occupation of this important city by the Japanese troops will mean that Chiang Kai-shek will retreat farther into the interior, that he will lapse into the insignificant position of a mere local warlord, and that the Chiang regime will lose its ability and function as a central regime from the economic, political and military points of view. It is generally believed, however, that even after becoming a local warlord Chiang Kai-shek will be able to keep up, to a certain extent, his long-term resistance with the help of Britain, France and Soviet Russia. At least, such is the belief entertained by Great Britain. That Britain will regard Chiang as the leader of China while he is on earth and accept his regime as legitimate is sufficiently clear from one of the recent statements made by the British Under-Secretary for Foreign Affairs.

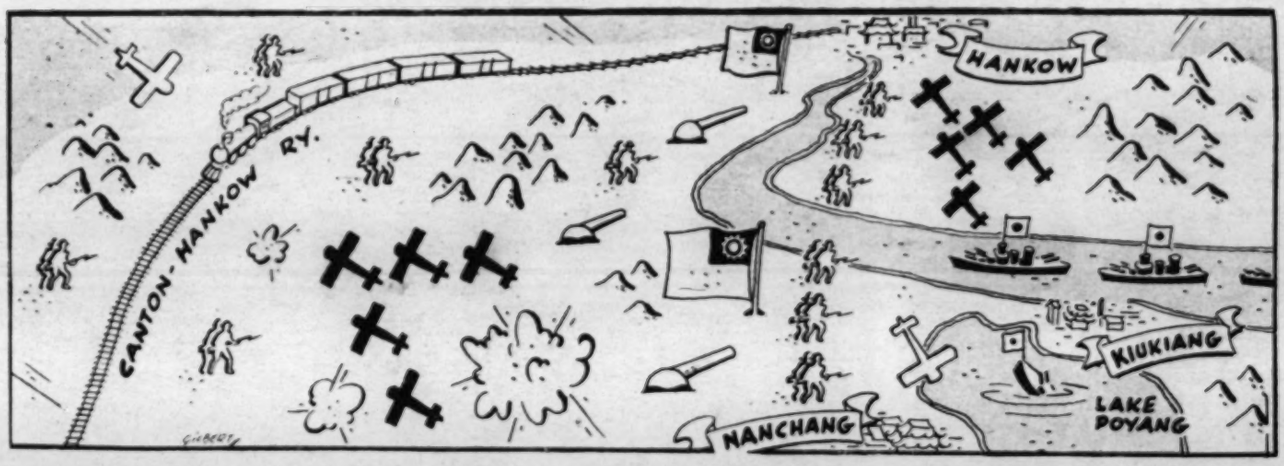
Great Britain is optimist enough to hold that after the fall of Hankow. China will be divided into two parts—the territory in Japanese occupation and the territory within Chiang's sphere of influence—and that her vast rights and interests in Central China will be safeguarded so long as Chiang Kai-shek plays into her hands in such a way that she will be in a position to wield considerable political and economic influence in Southwestern China. Great Britain is thus at pains to secure a firm footing in regions contiguous to British Burma. That is why she is lending support to Chiang Kai-shek. Great Britain's complete sway over Southwestern China will enable her to secure the integrity of British Burma and strengthen her strategic position against Japan's southward advance. This merits our attention.

Then there is Soviet Russia. The Soviet Union no doubt

(Continued on page 266)

Oyama was formerly Consul-General at Los Angeles. His article was translated from the October issue of the Nippon & Nipponjin by Contemporary Opinions.

JAPAN'S NEMESIS—DELAY AND MORE DELAY!



China Today, New York.

Japanese Writer Sees Shipping Revenues Cut by Half

ALTHOUGH various measures have been taken by the Japanese government to improve its invisible trade, especially that of shipping, Tadamasa Aoyagi, writing in the October issue of the Tokyo publication, *Zaisei*, remarked that it was unlikely that Japan's manifold efforts will bear immediate fruit. The writer noted that in view of this situation, there are many who "are so pessimistic as to fear that the nation's net income from the shipping business would be reduced to nothing during the current year." Aoyagi, in his article, dedicates himself to the job of making rough estimates of shipping revenues during 1937, 1938 and 1939, in order to determine the seriousness of the situation. He writes:

According to the official returns of invisible trade collected by the Finance Ministry, the nation's net receipts (minus payments) from the shipping business were doubled during the period from 1932 to 1936 (the latest year for which the official figures are published). Had such a rapid expansion been maintained, the Yen 200,000,000 or Yen 300,000,000 adverse balance in the merchandise trade would have been written off completely. On the basis of the shipping situation in the first half of 1937, it was predicted for

REAL "RED" MENACE IN JAPAN

Cargill in Columbia, Mo., Tribune

a time that the nation's shipping revenues for that year would reach Yen 400,000,000, or producing net revenues of Yen 250,000,000. The situation has been worsened, however, due to the outbreak of the China Incident. The following table shows the nation's balance in the shipping trade calculated by the Finance Ministry: (in Yen 1,000)

	Revenues	*Payments*	*Net Revenues*
1932	181,843	82,142	99,701
1933	231,810	105,748	126,062
1934	251,520	106,906	144,614
1935	303,180	125,520	177,660
1936	334,612	140,750	193,862

Although neither reliable reports by the local shipping interests nor official figures are available about the shipping balance since 1937, it is possible to make a rough estimate on the basis of the shipping firms' freight revenues. For the percentage of freight revenues in foreign currency of the total freight revenues for each shipping company is well known. For instance, the foreign currency revenues comprise 70 per cent of the total for the Nippon Yusen Kaisha; from 45 to 50 per cent for the Osaka Shosen Kaisha; 80 to 90 per cent for the Kokusai Kisen Kaisha; 50 to 60 per cent for the Yamashita Steamship Company; 50 to 60 per cent for the Kawasaki Kisen Kaisha; and 30 per cent for the Shipping Department of the Mitsui Bussan Kaisha. The combined foreign currency revenues of these six firms represent approximately 90 per cent of the nation's total, because other minor interests, being engaged mostly in coastal shipping, obtain only a small amount of foreign currency revenues. And of the total freight revenues in foreign currency, the largest share or 20 per cent goes to the Nippon Yusen Kaisha. The latter's freight receipts totalled Yen 70,118,000 in 1934, Yen 81,114,000 in 1935, and Yen 84,108,000 in 1936. On the basis that of these figures, foreign currency revenues account for 70 per cent, and that of the nation's total the Nippon Yusen Kaisha's share is 20 per cent, it would be quite possible to arrive at figures approximate to the official returns of the Finance Ministry for the three years above referred to.

A Complete Change

It would also be possible to estimate the foreign currency revenues for 1937 and 1938, inasmuch as the figures for the freight revenues of the leading companies in the second half of 1937 and in the first half of 1938 have already been published. However, the situation has undergone a complete change since the latter half of last year, necessitating revision of the method of calculation. Above all, the ratio of the foreign currency revenues to the total freightages must have suffered a marked shrinkage due to various factors, such as the increasing placement of ships for special service, the import recession, the precipitous decline of exports, the boycott by foreign shippers and stevedores against Japanese ships, and the strengthening of the exchange control.

Because of the strengthened exchange control, import contracts are to be licensed on the f.o.b. basis alone (the freightage being paid in yen separately) except Germany and some other countries from which it is more profitable to buy on the c.i.f. basis. Thus, the freight revenues in foreing currency, including only those to be paid by foreign shippers for the services between Japan and foreign countries and between foreign markets, passenger fees and some other accounts, are estimated to have been reduced by 30 per cent in comparison with the former figures in times of peace.

What is more discouraging is the fact that the placement of ships for deep-sea services has decreased markedly since the outbreak of the China Incident, as may be noted in the following table which compares the placement of ships, including liners and tramp steamers, as of May 1 this year with that as of July 1 last year:

	July 1, 1937		*May 1, 1938*	
	Number of Ships	*Gross Tonnage*	*Number of Ships*	*Gross Tonnage*
Europe	34	267,611	25	214,378
Africa	19	132,399	12	92,549
Pacific Coast of N. America	59	468,502	39	346,227
Atlantic Coast of " "	54	366,192	38	273,061
Central & South America and the Gulf	4	28,409	5	38,416
South America	13	100,997	19	139,369
India and Persia	53	316,845	40	236,863
Australia	19	117,577	18	113,565
Among Foreign Ports	1	5,831	3	42,809
Round-the-World Service	—	—	4	27,945
Total	256	1,804,363	203	1,525,182

Thus, it can be seen that in both the number of ships and the gross tonnage, there was approximately a 20 per cent decrease in the first half of the current year. Further, some ships under Japanese registry were obliged to run without sufficient cargoes due to the boycott by foreign interests and other unwelcome circumstances. From the foregoing, one may safely conclude that the freight revenues from the overseas services have fallen off by from 20 to 30 per cent.

Actually, whereas the freight revenues as a whole increased in the second half of 1937 and the first half of 1938, the foreign currency revenues declined almost by half in all cases, except the Nippon Yusen Kaisha and the Osaka Shosen Kaisha, owing to the extreme dullness in tramp operations. The result was that the ratio above referred to of the foreign currency revenues to the total was reduced to 60 per cent for the Nippon Yusen Kaisha, to about 30 per cent for the Osaka Shosen Kaisha, to 40 per cent for the Kokusai Kisen Kaisha, to 30 per cent for Yamashita and Kawasaki, and to 20 per cent for the Mitsui Bussan Kaisha. The following table shows the freight revenues of the leading shipping companies in the past half years: (in Yen 1,000)

	1936 1st ½	1936 2nd ½	1937 1st ½	1937 2nd ½	1938 1st ½
Nippon Yusen Kaisha:					
Freightages	33,478	32,807	40,062	44,103	35,376
Passenger Fees	7,820	10,002	10,260	11,248	7,487
Total	41,298	42,810	50,322	55,356	42,863
Osaka Shosen Kaisha:					
Freightages	36,108	37,563	43,323	40,675	47,327
Passenger Fees	6,249	6,865	7,048	6,906	7,221
Total	42,357	44,428	50,371	49,581	54,549
Kokusai Kisen Kaisha:					
Freightages	10,794	12,016	15,673	16,851	—
Kawasaki Kisen Kaisha:					
Freightages	7,083	8,804	11,028	16,534	20,288
Mitsui Bussan Kaisha:					
Traffic Revenues	935	888	1,621	2,238	3,753

(The figures for Kokusai and Kawasaki include charter-

(*Continued on page 266*)

SOUTH CHINA'S FAIR DEFENDERS

THEIR METTLE TESTED—After months of arduous training, these charming maids of China, members of the Cantonese Women's Self-Defense Corps, are having their prowess tested as Japanese hordes land in South China, advancing toward Canton. While the southern provinces had sufficient men to throw into the front lines against the invaders, these girls will carry on detailed work behind the lines. In the above photos, these feminine defenders of China are shown in the process of learning the art of war.

Japan's Black Dragon Society

THE present age seems to be one of opposing ideologies in international affairs, and this is as much true of the Orient as of the Occident. In China, the Three Principles of Dr. Sun Yat-sen hold undisputed sway among the Chinese themselves but those principles in the last seven years have come to a clash with certain none too well defined Japanese ideologies supported largely by the Young Officer element of the Japanese Army and by certain secret societies wielding great influence in the Island Empire. These secret political organizations are peculiar to Japan at the present time, though in the past the Mafia Society of Italy possessed certain similar characteristics.

To understand the political situation in modern Japan, it is necessary to go back to the beginning of the Meiji Era. In the seventies, there was a series of clan rebellions in Japan but later the central government became too strong for the clans. Thereafter the turbulent *samurai* turned their attention to terroristics acts in order to enforce their will and with the beginning of constitutional government in the islands there developed a system of political hooliganism. Groups of unemployed *samurai* and rowdy elements banded together to interfere wherever their services were called for—and paid for. Police were employed to protect the Diet itself from the intrusion of these hooligans, known to the Japanese as *soshi*.

HARVEST TIME IN NIPPON

Cargill in Columbia, Mo., Tribune

Even at that time, the leaders of the *soshi* had begun to form secret organizations, which represented the anti-foreign feelings of the *samurai*. One of the earliest of these societies was the *Genyosha* or Black Ocean Society, organized by Mitsura Toyama and his associates, most of whom had participated in rebellions against the new government of Emperor Meiji. This organization inherited and developed the ideology of anti-foreignism of its *soshi* predecessors. Young *samurai* personally connected with Toyama assassinated Prince Okubo, a member of the government, in 1878, and in 1889 a group of terrorists organized by Toyama threw a bomb at Okuma, the Minister of Foreign Affairs. These acts of violence instead of leading to the suppression of the Black Ocean Society by the government, on the contrary, led to its recognition as an aid to Japanese activities on the Asiatic mainland. Members of the society were employed by the Japanese General Staff to obtain maps of Manchuria and Korea and also to foment trouble in the latter country as a pretext for Japanese intervention in Korean affairs and finally for the launching of war with China in 1894. After the Treaty of Shimonoseki, the Black Ocean conspirators continued their work of intrigue in Korea, paving the way for a permament occupation of the country.

Secret Agent of War Minister

In 1901, Sugiyama, Toyama and Ryohei Uchida created the *Kokuryukai* (Black Dragon Society), a name which in Japanese is equivalent to the Society of the Amur River, since the hieroglyphics of the name of the river are the same as those for black dragon. Its purpose was preparation for war with Russia, whose frontier ran along the Amur River. The work of the Black Dragon Society was far more extensive than that of its predecessor, the Black Ocean Society. It became the virtual secret agent of the Japanese Ministry of War abroad. Its services were resorted to when existing international agreements interfered with open work on the part of a department of the government and also when the nature of the work to be done was more unseemly than usual.

At the beginning, the Black Dragon Society was financed by the House of Yoshida, which had great interests in Manchuria. It was also materially aided by various Japanese generals including Yasunosuke Tanake, Gentaro Kodama and the Governor-General of Korea, Terauchi. The society opened schools at Tokyo for the study of the Russian language; it helped in the preparation of maps of Siberia and the Russian Far East. The organization reached its highest peak of activity during the Russo-Japanese War of 1904. Uchida himself organized the Manchurian bandits who fought against the Russian troops.

At the time of its activity in Manchuria, the Black Dragon Society was also active in China, in the Philippines and in British India. A part of its technique is to get in touch with disaffected nationals of various countries in which it operates. Bose, an Indian nationalist and now a resident of Japan, has been a member of the society for years, while the organization also aided "Rajah" Pratap, another anti-British agitator. In 1925, the Black Dragon Society sent Tanabe on a mission to Afghanistan to set up Turkoman organizations in Central Asia and to promote a Pan-Asiatic movement.

At the present time, the Black Dragon leaders have formed contacts with the most unscrupulous White Russian elements, with Ataman Semenoff, with Professor Gologachev's group of Siberian "autonomists," and with White Mussulman circles led by Kourbin Galiev. The society has also arranged for the military instruction of aristocratic Mongol youth in Barga. Furthermore it has important connections with Buryat and Yakut White emigres. Before the recent crisis in relations of Japan with the Soviets, it sent Japanese residents to the Soviet Far East. Black Dragon leaders foster much of the anti-Soviet propaganda in Japan and elsewhere.

The Black Ocean and Black Dragon societies are the parent organizations of numerous other allied political groups, these being under the control of Toyama, Uchida and Sugiyama, who are sometimes referred to as the Fukuoka Triumvirate. The two parent organizations may be regarded as the executive organs of the triumvirate, while the internal ideological center has become the *Roninkai* or Vagrant Samurai Society, which has formed the ideology of Pan-Asianism and which was especially active in the early years of the World War of 1914-18, becoming recognized as a center of concentrated forcible patriotism. Between the years 1924 and 1926, a closer association of the societies organized by Toyama and Uchida was brought about. All the Toyama-Uchida organizations are said to be included at present in the *Da Nippon Seisanto* or Great Japan Production Society, which claims a membership of about 90,000. The slogans adopted by the *Seisanto* include: Effect harmony of administration between the Emperor and his people; strengthen the army and reject all disarmament theories; against the white race domination; create a base of supplies for Japan."

Action in Manchuria

As in the case of war with Russia in 1904, Uchida played an important role prior to and subsequent to the Manchurian Incident of 1931. In December of that year, he developed a detailed "concrete plan of organizing an independent Manchurian-Mongolian State." In that same year, the Black Dragon Society as well as its subsidiary organizations became extraordinarily active in Manchuria. During the long and acrimonious dispute over the Chinese Eastern Railway, Uchida organized a society under the name of *Tairo Doshikai*, or Opponents of Russia Society, which was composed of a small group of political adventurers who specialized in anti-Soviet propaganda.

On the initiative of the Toyama-Uchida organizations, a Pan-Asiatic Conference was organized at Tokyo in 1932. Uchida about this time also revived the *Sekisinsya*, a society organized in 1922 in Shantung and consisting largely of bribed Chinese compradores, members of the Hung-hu Tze and some permanent Japanese residents in China. Uchida brought it to life as an old organization representing Sino-Japanese friendship. He claimed a membership of 10,000,000 for it and published a roster of 499 names, about most of whom little is known, not even that they are in existence. The *Sekisinsya*, of course, is only one of the numerous masquerades of the Black Dragon Society.

The Black Dragon Society is still connected with terrorist organizations of reactionary elements in the lower middle class and among the small land owners. Toyama's secretary, Homma, headed onegroup of terrorists which took part in the terrorist acts of 1932. Toyama's son organized the terrorist group *Tenkokai* and was

(*Continued on page 268*)

The New Burma-Yunnan Railway

BY MARTIN R. NORINS

(*Amerasia, September*, 1938)

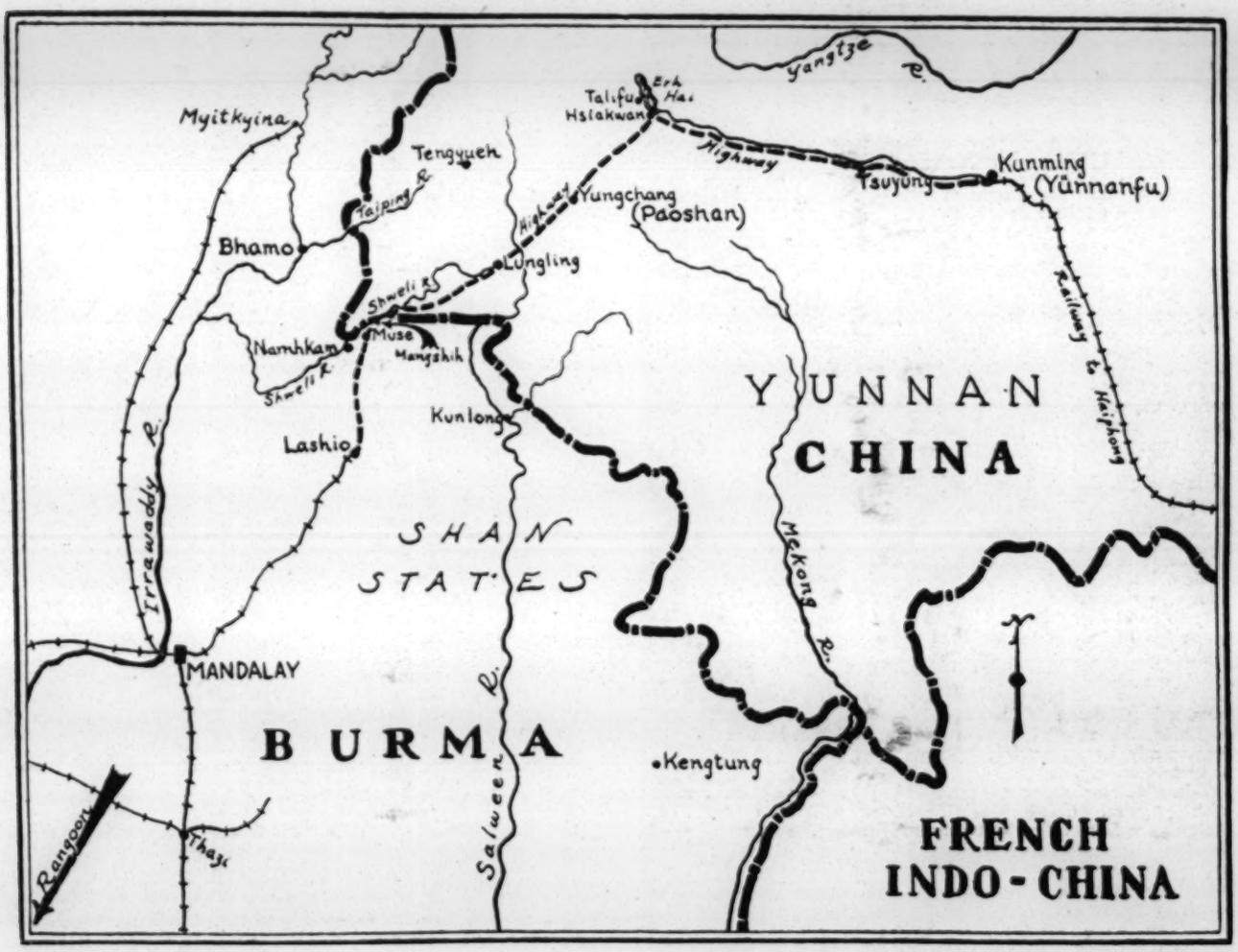
MODERNIZATION of the old Ambassadors' Road between the province of Yunnan in China and the "backward tracts" of Upper Burma is reported to have been completed at last. The construction of the new thoroughfare, part of China's significant reemphasis on the once thriving trade arteries of Central Asia, has as its present *raison d'etre* the making accessible to the Central Government of war supplies from the Burmese port of Rangoon. However, it may be but a prolegomenon to the story of future Sino-Burmese trade.

There have been conflicting statements as to the exact route covered by the remodeled thoroughfare. All reports agree that the Chinese side of the road terminates at Kunming (Yunnanfu), capital of Yunnan, and traverses the some 370 miles already improved prior to July 1937 between that city and Hsiakwan in the western part of the province. But information as to the route covered from there on has not always coincided. According to a recent Chinese report, the road was said to be completed from Kunming to Myitkyina, railhead of the Burma Railways. However, it has now been definitely verified that the Burma end of the road is at Lashio, branch terminus of the same railway.

In recent years competition on the Burma side has become severe, and the position of the route from Bhamo—relative to the position of other such overland courses—has been shaken. Exports going to Yunnan from Bhamo were shipped from Rangoon into Upper Burma at least partly, if not wholly, by steamer. On the other hand, traffic headed eastward from Myitkyina or Lashio, railheads, could be shipped to these points from Rangoon by direct rail. Not only was the rail service faster than the steamer service, but the Burma Railways needed the business. Competition in the last decade from road and river transportation had severely hit the company, and retaliation was in prospect. Consequent was the action "in co-operation" with the Burma Railways which was taken by Burmese authorities. A new customs station was opened at Myitkyina about four years ago, and the Resident Excise Officer there was appointed Superintendent of Customs. In addition a rebate was offered for exports from that station to China. It was announced openly that this was an effort to divert the Bhamo-Tengyueh trade to the Myitkyina-Tengyueh route. At the same time, the extensive road-building that has been characteristic of Upper Burma of late years led to the construction of improved routes between Lashio and Muse and Muse to Namhkam. All of this took business, more or less, from the Bhamo marts.

This was approximately the situation on the eastern Burmese borders up to the time the conflict between China and Japan shifted the Chinese trade axis to the inland west and southwest. Early in the undeclared war, the Japanese had bottled up the east coast and the Yangtsze, and had endangered by almost daily bombings the Kowloon-Canton-Hankow Railway. Also a serious step was the French bow to Japanese desire by the closing of the Haiphong-Kunming railway to armament shipments in November of last year. For the much needed contact with the Occident, China was forced to reevaluate the overhead routes into Central Asia. This appraisal seems to have led to Herculean activity, for the hallowed routes of the earlier centuries are now being rebuilt. Modernization of the old Imperial Highway in the northwest is intended to bring supplies in the northwest is intended to bring supplies to Chengtu in Szechuen, from the Russian border via Urumchi in Sinkiang and Lanchow in Kansu, in a fortnight. Work is also reported to be underway upon a route from Szechuen through Hsikang into Tibet, presumably through Tachienlu, which will make access to India relatively easy through the Chumbi Valley. In the southwest, it appears, great reliance has been placed on the Ambassadors' Road, first of the modernized routes to have been reported completed.

NEW TRANSPORTATION LINES IN THE SOUTHWEST



Map by Bernard Watkins in Amerasia Magazine for September.

Difficulties Ahead

The modernized road has been routed Kunming-Hsiakwan-

Yungchang-Lungling-Mangshih-Muse-Lashio. This route is approximately 716 miles long and utilizes the recently constructed road from Muse to Lashio. From Lashio there is direct rail contact over some 630 miles with Rangoon. Thus freight from Rangoon to Kunming by rail and truck should cover about 1,350 miles. Reliable information indicates that this course does not rise over 6,000 feet between Lashio and Yungchang, and its gradients are relatively easy. However, as is true of any of the route over the sharp mountain area of western Yunnan, there are numerous river crossings to provide difficulty.

The road from Kunming to Lashio is an important enterprise. Although not without disadvantages, it promises to be safe from attack, speedy, and an important avenue for freight from the Occident to China. Not only does it indicate a definite British wartime Commercial cooperation, but it cuts a new and heavy British foothold in the trade wealth of China. Terminating as it does on the Chinese side, the new road will open a way from Burma into Szechuen and will add its weight to the quite apparent growth of Kunming and the whole Chinese southwest.

It would be a mistake not to recognize some of the disadvantages of the project. Constructed hurriedly, it appears that the highway could not have been completely metalled and paved in the short time that has lapsed since work upon it commenced. Although between 150,000 and 180,000 volunteer and conscripted laborers are said to have been engaged in the enterprise, they were largely unskilled and there were limitations in the modernity of the machinery and tools available for use. As a result, at best there is now but a good dirt road with metalling work still to stretch on for months. The "closed (rainy) season" commenced in June, and has brought the danger of washouts and landslides. Many of the dry river beds over which the highway passes periodically become raging torrents at this time, and considerable damage must be anticipated. Further, the same closed season is characterized by excessive malaria epidemics in the plains of western Yunnan. In 1937 the damage caused by a peculiarly malignant type of indigenous malaria called "Chang Hsi" was extensive. In one locality, originally inhabited by about 200,000 people, successive waves of the disease over a period of ten or so years, have reduced the population to 20,000. To these dangers must also be added the ever-present scourge of banditry, although this is said to be less prevalent than before. Chinese, however, are aware of these difficulties, and steps are being taken to combat them.

On the other hand, the nature of the course is such that it is a difficult target for possible Japanese sabotage. Not only is there the political and geographical protection of the enclosing neutral territory of Burma, French Indo-China, and Siam, but there is also the character of the terrain itself. The highway passes through the deep gorges of the Mekong, the Salween, the Shweli, and the Taiping rivers, and skirts around and through the intervening lofty ranges. In certain stretches, particularly between Yungchang and Kunming, peaks rise above 8,000 and 9,000 feet, only to be offset by sharply dropping valleys whose bottoms often touch 4,000 feet. The cold in the upper layers of the air combine with the intense heat below to "create currents and airpockets that are much feared by aviators." Air navigation, again, is made difficult by the heavy cloud formations also characteristic of the surrounding borders of the area. Always a distant "back door" to China, this strip of western Yunnan will remain one of the permanently least accessible of regions to be confronted by the Japanese military.

In addition the new route will make for speedy Chinese contact with Rangoon. Chinese engineers have hoped that it would cut the distance from China to Burma to five days. A suggestion of the time that might be saved through operation of the road is seen in the fact that approximately three weeks were consumed in the past for travel along the original trail between Kunming and Hsiakwan. However, since the road was improved, the same distance has been covered in two days, and has been traversed in bad weather in three days. With allowance made for the slower moving truck traffic, a conservative estimate might make the trip by rail from Rangoon via Myitkyina and by truck via the new road seem possible in ten days. This can be contrasted with the six weeks or thereabouts that previously had to be alotted for travel from Bhamo to Kunming.

Sino-British Cooperation

A phase of this subject that must not be neglected is the cooperation between Britain and China which is indicated in the construction of the new road. Informed authorities have asserted that only the ability of British manufacturers to fulfill contracts and of the Chinese to pay will limit wartime commercial assistance of one to the other. Vague and scattered reports already are circulating, in regard to shipments of airplanes, guns, and ammunitions to China from England via Hongkong since the inception of hostilities. But official statements shows that between June 1, 1937, and January 31, 1938, shipments of war materials from the United Kingdom to China amounted to only 134,338 pounds. Even though a more recent statement shows that during the two months of February and March 1938, the total above amount has been increased by more than half, the resulting figure of 204,908 pounds is still relatively small. British armament manufacturers have been busy enough with contracts at home, and it has been suggested that if British planes had been sent to China they were of such quality that they would have caused the Chinese more trouble than the Japanese damage. But Britain's means of offering China assistance lies not only in making available British goods but in permitting goods of other nations access to the Central Government. Such access is now directly available not only by the dangerous Hongkong route but by the less risky rail and truck road from Rangoon. Of course, Rangoon should prosper and is this way Britain stronger militarily by the transportation facilities effectuated by joint Burmese and Chinese enterprise.

The new road however opens even larger vistas for the future. As far back as 1876 the Rangoon Chamber of Commerce gave substantial backing to the plan of a through railway route from Burma to the headwaters of the Yangtsze, where lie the great riches of the province of Szechuen. Although, so far as railway construction was concerned, that dream was abandoned in 1903 when the old Kunlong project saw completion only to Lashio, in respect to highway possibilities it has now been stirred to life. As one part of vast network of rail and road transportation which the Chinese have sketched for the southwest, preliminary work upon a Chuan-Tien (Szechuen-Yunnan) railway is reported to have begun. Further, there is already a highway from Kunming to Chengtu. In other words, the way is now being made clear for realization of the old British dream of Rangoon as the "Liverpool of the East." A Rangoon-Kunming-Chengtu route has been opened which lays bare to Burma and British enterprise the vast trade possibilities of Szechuen, and obviates eventually the previous dependence upon commerce via the Yangtsze-Shanghai route. Since the realization of such a commercial route has been the princpa driving force for most of the British expansion on the border of India, Burma, Assam, and Tibet in the last century, there seems every reason that London should be willing to take advantag of it now. Even though vested interests of Britain would not desire that the mouth of the Yangtsze be closed for any length of time to untrammeled Chinese trade, yet the new Szechuen-Yunnan-Burma road might serve in the future as an admirable substitute.

Links With Other Systems

But today Szechuen is not in itself the only goal for such an overland route. Terminating on the Chinese side at Kunming, the reported armaments road links itself to an extensive communication and transportation system recently developed in southwest China. This is a network of railway and highway routes principally connecting the provinces of Szechuen, Kweichow, and Yunnan. Already roads of good quality are being used between Chungking, Kweiyang and Kunming, and various railway projects are being worked out that will not only bring closer these three provincial capitals but will make for speedier access to the rest of the south and west of China.

Although additional information is needed as to the exact route which the Burma-Yunnan highway will follow and undue optimism as to its immediate efficiency is to be avoided, the revolutionary importance of the route must be acknowledged. Its immediate value will lie in its facilitating armament shipments to the Central Government. Historically it will be judged from another approach. It introduces a renaissance for the Asiatic routes of commerce overland to China, and it marks the attainment of another of the goals of British expansion—a through route from India to the headwaters of the Yangtsze. By the construction of the new highway, also, the Sino-Japanese embroglio is seen to take a new turn. For not only is the British state in the New China seen to be increasing, but an additional and vital means by which the Chinese structure as a whole may be bolstered up also seems to have been provided.

New Communication Development Commission Organized

In order to speed up the building of highways and railways in the South-western Provinces, the Ministries of Communications and Railways have jointly organized a Communication Development Commission with Mr. Chang Chia-ngao, Minister of Railways as chairman. The commission is building the railway connecting Shufu in Szechuan and Kunming in Yunnan with British Burma. The road beds are reported to have been completed and bridges and tunnels are being built and it is expected that in the near future, the entire line will be completed.

Construction work of the Hunan-Kweichow and Hunan-Kwangsi Railways will be completed before the end of this year and traffic will be opened on January 1, 1939. The Hunan-Kweichow Railway will link up Chuchow at the Hunan-Kiangsi border with Kweiyang, provincial capital of Kweichow, a distance of 1,000 kilometers. The Hunan-Kwangsi Railway starts from Hengchow, important railway town on the Canton-Hankow Railway in Hunan and passes through Kweilin to Nanning, a distance of 800 kilometers. When completed, through service will be inaugurated between Kwangsi and Chekiang through the Hunan-Kwangsi and the Chekiang-Kiangsi Railways.

Limit of Remittances from Japan Reduced

Unrestricted remittances from Japan abroad, except for trade purposes, will be reduced from the present limit of Yen 1,000 each year to Yen 100, beginning from Oct. 15, according to a revised ministerial ordinance concerning the control of exchange.

15,000,000 War Refugees Burden to Government

THE number of destitute war refugees throughout China, according to a report submitted to the People's Political Council by the National Refugee Relief Commission, approximates 15,000,000. Their relief is a gigantic burden. For in the past, they have been given food and shelter in camps in principal cities of the country in the rear, but this cannot continue forever if any basic solution to the perplexing refugee problem is to be achieved. They must be put on a self-supporting basis and that can only be achieved by finding them jobs.

That, in brief, constitutes the new emphasis in the work of the National Refugee Relief Commission headed by the Executive Yuan President and concurrently finance minister, Dr. H. H. Kung, and the former Chinese ambassador to Japan, Mr. Hsu Shih-ying, as chairman and vice-chairman respectively. In seeking to put the refugee multitudes on their own feet, the Commission has the co-operation of the Ministry of Education, the Board of Social Welfare of the Central Kuomintang as well as provincial and municipal governments throughout the country.

THE DISHONORS OF WAR

Punch, London

Mars: "I used to be the God of Battle—not Butchery."

The report of the Commission shows that of the 15,000,000 refugees, 62 per cent are men and 38 per cent women. Government employees or public functionaries constitute 12 per cent, merchants 11 per cent, farmers 8 per cent while more than 50 per cent were students or those who were unemployed. Those whose age ranges from 16 to 40 constitute 56 per cent of the total. These figures indicate that a majority of them can toil and engage in productive enterprises. Many of the schemes for land reclamation and settlement and promotion of handicrafts and light industries drawn up by the Commission for a fundamental solution of the refugee problem have now been put into practice.

10,000 to Hunan

Ten thousand refugees, for instance, have been sent from the Central China cities of Wuhan to Hunan Province. There they are undergoing a special three-month technical training to enable them to engage in light industries and handicrafts for which Hunan is noted. The matter has been entrusted to General Chang Chih-chung, chairman of the Hunan Provincial Government, at whose disposal the Commission has placed a subsidy of $90,000. For the same purpose, the Commission has allocated an additional $10,000 to the Anhwei Residents' Association in Hunan that is cooperating in the refugee relief work in that province.

Another plan is now afoot to establish cotton weaving and spinning factories west of Chengchow in Honan Province and in other centers in West Hunan for the refugees. To help carry out this project, the Commission has appropriated $20,000.

The Kiangsi Provincial Government under the chairmanship of General Hsiung Shih-hui has in its hands a vast land reclamation and settlement plan to be carried out near Chiufu and Taiho. The Commission has remitted $73,500 and sent 1,000 war waifs there.

There is plenty of waste but reclamable land near Liuchow in Kwangsi Province. In that area will rise a colony of 400 refugee families. The amount of $100,000 has been remitted by the Commission to Mr. Chang Chun-li, member of the People's Political Council, who is in charge of the land reclamation and settlement scheme there.

Build New Homes

The refugees will also build new homes in the districts of Paochi and Fengcheng in Shensi Province. To help carry out this colonization plan as well as to promote certain handicrafts at Suiteh in Northern Shensi in the interest of the refugees, the Commission has appropriated $36,000. Thus the 15,000,000 war sufferers in China, group by group, are being set on the track to production. Their homes, their farms and their shops, lost in war, will be refound under strange skies and in unfamiliar surroundings. In due course they will be on their own feet again.

They have travelled far and wide and have suffered hardships, but now the end of their travail is in sight. On the last stages of their pilgrimage, they will be greeted by agents and representatives of the National Refugee Relief Commission at 20 central transportation stations and 88 sub-stations established by the Commission throughout the different provinces. These officers will look after the refugees during their stops at their respective stations and then direct them to the way onward to future hopefulness and prosperity through labor and self-reliance.

To Build Huang Ho Dyke

In addition to the millions of dollars distributed to the flood refugees by special representatives of the National Relief Association in Honan, the Central Government has appropriated $2,000,000 to build a dyke of 170 kilometers in length. With the technical assistance of the League of Nations, 300,000 workers will be enlisted to do the work and 50,000 of them will be concentrated to build the dyke at Chengchow.

Wheat Shipment Coming

Fifty-six thousand bushels of cracked wheat, the contribution to refugee relief in China made by the American Red Cross will arrive in Shanghai on December 18 aboard the American Pioneer Liner Sawakia, it was reported to *The China Press* this week. This consignment, equal to about 1,800 tons, is to be used at the rate of 300 tons per month. Therefore, the supply is expected to last for six months. The wheat will leave America on October 20 and is due to arrive here on December 18.

Japanese Army Asks Chinese Co-operation for Peace in Asia

Japan's only wish is that China should give up her anti-Japanese, pro-Communist policy and co-operate with her neighbor to establish lasting peace in Asia. With this object in view, fresh Japanese troops were landed on the eastern shore of Kwangtung Province and they will continue their offensive until this object is attained.

Such was the gist of a proclamation issued by the Commander-in-Chief of the Japanese Expedition to South China Oct. 12 when the South China landing was completed, *Domei* reported.

Stressing the long series of reverses suffered by the Chinese Armies, which have resulted in many millions of casualties, the loss of Shanghai, Nanking and Hsuchow, and untold hardships to 450,000,000 Chinese people, the proclamation said that the National Government had not yet abandoned its anti-Japanese, pro-Communist policy. The reason the Japanese decided to send a large expeditionary force to Kwangtung is because that province is the fountain-head of anti-Japanese sentiment and pro-Communism in China. Now that the forces have been landed, the proclamation declared, the Chinese people are advised to carry on business as usual. Even Chinese regulars will be protected if they co-operate with the Japanese forces. The proclamation warned, however, that no harm must come to the Japanese forces or the Chinese soldiers will be given no quarter.

Roosevelt Invites British Royalties to U. S.

After Their Majesties' trip through Canada next year is over, the King and Queen of England will pay a visit to Washington, London reported this week. The details of the program of the American visit are now being discussed by responsible quarters. The formal invitation from President Roosevelt is on the way and will probably be handed over in Buckingham Palace by the American Ambassador in London, Mr. Joseph Kennedy, after the return of Their Majesties from Scotland.

London Takes Grave View of Palestine Troubles

THE critical situation in Palestine is giving rise to increasing concern in government circles in London who this week had confessed that they see no immediate solution other than by force. That the Cabinet is by no means agreed over the Palestine policy is evident in newspaper comments. One group apparently supports the original partitioning plan which would divide Palestine into three parts which would be under Arab, Jewish and British control while another advocates the retention of the present mandate system with the use of the mailed fist to keep down insurrection and clashes between Arabs and Jews.

The *News Chronicle* wrote that the government is entirely undecided as to what is the best solution of Britain's most serious problem at the present moment. The paper pointed out that even were it possible to gain the approval of the British public for a policy of military suppression of the revolt—which seems doubtful—this solution would not be permanent nor would it bring peace to the Holy Land. Nor can, the *News Chronicle* noted, tranquillity be restored by one-sided suppression of the Arabs alone. The task of the British Government, according to the paper, is to plan a far-sighted policy which can only be based on the partitioning plan.

The *Daily Express* argued that the only solution for England is to withdraw entirely from Palestine and to leave it to the Arab and Jews to settle their own destiny. The founding of an Arab-Jewish state without British control would in the opinion of the paper settle the conflict. Looking at the situation from a material point of view, the *Daily Express* pointed out that Palestine has no particular significance for England and is not even of strategical importance. It is merely a bitter obligation that England has assumed, and having inspite of mounting difficulties hitherto fulfilled this obligation, the time has now come for England to reconsider her policy since valuable British troops are now being used for a purpose which does not conform with the interests of the country.

Serious Position

In spite of the sparseness of uncensored news reaching Cairo of conditions in Palestine, the opinion is rapidly gaining ground that the position of the British mandate government is becoming more untenable with every day. Fighting is now going on in every part of the country and 28 pitched battles took place within three days. The authority of the government is now practically confined to the big towns with strong garrisons such as Jaffa, Tel Aviv and Jerusalem. Life has become unsafe in the smaller towns, as recent events in the town of Tiberias have clearly indicated.

The Arab insurgents have already obtained control of the entire northern part of Palestine including Hebron, while the so-called "terror triangle" near Nablus Tulkarem has in spite of the draconic measures adopted by the British authorities—such as the enforcement of curfew from three o'clock in the afternoon to six o'clock in the morning—become a veritable hotbed of disorder. It is now admitted that repressive measures were taken without the precaution of having sufficient troops to enforce them. Great importance is attached in Cairo to the ultimatum sent by the Arab Committee of Defence to Dr. Weissmann, the well known Zionist leader. The Jewish press called this ultimatum a challenge to the British Empire whereas the Arab press regards it as proof of the power wielded by the Arab irregulars.

Within the last week the British garrison in Palestine was reinforced by 6,000 officers and men. In spite of the drastic measures taken by the British authorities, the situation continues to become more critical daily. Shooting and bomb throwing occurred in the Jerusalem Old City Oct. 17.

Reconquest of Palestine by Britain Advocated

A new plan aiming at the reconquest of Palestine by Britain has been drawn up in London and has already found its approval by the Inner Cabinet, according to the *Daily Herald*. The report of the Woodhead Commission envisaging a triple partition of Palestine has, according to this source, been entirely jettisoned. Tentative measures will be adopted forthwith to hold up any further Jewish immigration into the country and put a stop to the purchase of land by Jews. Definite measures however will not be enforced until the military have succeeded in pacifying the country. Britain has no intention, it is affirmed, of renouncing the mandate.

All reports reaching London from Jerusalem speak of large-scale military measures designed to re-establish law and order throughout Palestine. Fresh troops have already gone into position in expectation of Arab assaults on Jerusalem. Other troops are being detained for recapture of those towns which are at present entirely in the hands of the Arabs.

Japan-China Shipping Service Expanded

Aiming to strengthen the Japan-Manchukuo-China economic bloc and promote the development of trade between Japan and China, the Ministry of Railways, after negotiations with railway and shipping companies, has decided to inaugurate a through service for the transport of goods between Japan and China Oct. 15, *Domei* reported.

Attitude of Transocean Service Puzzling to Japanese

On word received from Tokyo through the Japanese *Okuyama* Service, it appears that something has gone askew with one of Japan's allies. The *Okuyama* said on October 10 that reports circulated in Tokyo said that the German *Transocean News Service* has been in support of the Chiang Kai-shek regime and has been circulating news items favorable to Chiang both in Shanghai and Hongkong. The agency notes that "This anti-Japanese attitude of *Transocean* is considered strange," and continues:

"After the occurrence of the Manchurian Incident, the *United Press* and *Transocean* services in China were incorporated into the *National News Agency*, an organ of the Chiang regime. *Reuters* and *Havas* gave their credit to the *Central News Agency*, thus allowing themselves to function as part of the Chiang regime's news agency.

"Following the occurrence of the present China Incident, however, these foreign news agencies have been circulating their own news services direct to clients both at Shanghai and Hongkong. *U. P.* and *Reuters* have frequently circulated anti-Japanese news and *Havas* has comparatively remained neutral. *Transocean*, like *U. P.* has been pro-Chiang.

"When the German military advisers parted from the Chiang regime in accordance with the German-Japanese anti-Comintern spirit, *Transocean* was also expected to rectify its attitude and defend the anti-Comintern axis. The Shanghai and Hongkong bureaus of the *Transocean* still remained strong in their pro-Chinese color irrespective of the attitude of the German Government toward Japan. Newspaper circles in China regard this attitude as strange.

"Circles close in touth with the situation, however, say that *Transocean* may be involved in news competitions with other countries' news agencies and allows itself to be pro-Chinese automatically rather than make itself intentionally so. At any rate, the trend of foreigners in China are in the state of transition and it is hardly possible to make any estimate or prediction of future trends, circles here consider."

Japanese Motorship Said Detained in Vladivostok

The motorship Tsuruga Maru, missing since September 13 when she sailed from Tsusuga on her maiden voyage to Northern Korea, has been detained by Soviet authorities at Vladivostok, according to a message received by the Tokyo Foreign Office Oct. 15. The Tsuruga, carrying a 400-ton cargo, was bound from her home port on the Sea of Japan for the Korean port of Seishin. According to the report, she was washed ashore and held by Soviet authorities. Her crew of 13 is said to be safe.

Japanese Aviation Groups to Merge in One Corporation

To meet the situation in the Orient arising from the development of the China incident, Tokyo's Ministry of Communications has formally announced establishment of the Japan Aviation Corporation. This is a merger of the Japan Air Transport Corporation and the Kokusai (International) Aviation Corporation. The new firm, which will be engaged mainly in air transportation and related business, will be capitalized at Yen 25,000,000. Of this sum the Japan Air Transport Corporation will invest Yen 20,000,000 including Yen 10,000,000 in kind; the Kokusai Yen 5,000,000 and promotors Yen 500,000. The first general meeting of the new firm will be held early next month and business will start in December. Meanwhile, the Japanese Government is reported planning to increase the capital to Yen 100,000,000.

Marshal Bluecher in China ?

"Latest reports received in London suggest that Marshal Vassily Bluecher, Commander-in-Chief of the Soviet Far Eastern Army, whose disappearance from public view has given rise to persistent reports alleging that he had been either shot disgraced, or imprisoned, may be busy in Mongolia or China," the Riga correspondent of the *Times* declared Oct. 13. "These reports, however, lack sufficient confirmation." The correspondent gave extracts from the Baltic states press, according to which the Soviet Union may be collaborating indirectly with China against Japan.

War Notes to Meet Central China Military Expenses

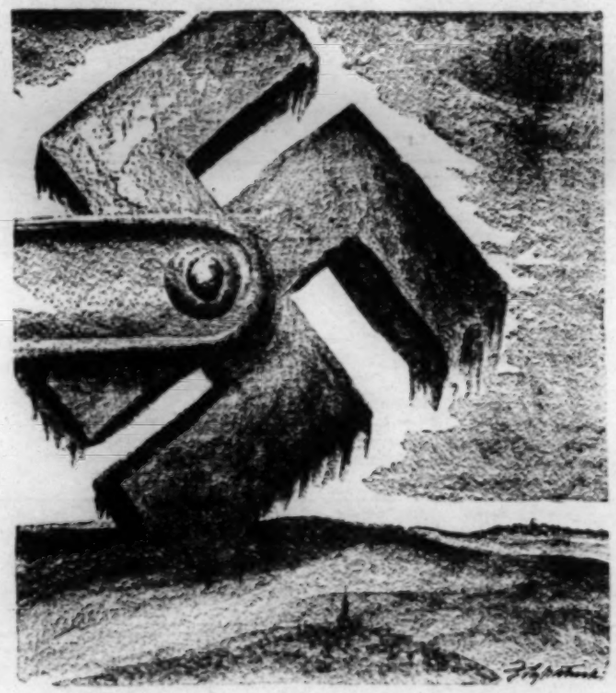
War notes will replace Bank of Japan notes formerly used to pay Japanese military expenses in Central China, according to a story appearing last week in the *Tokyo Asahi Shimbun*. The Bank of Japan has decided to establish agencies in Shanghai, Nanking, Hangchow and Soochow and military expenses in South China also will be paid in war notes. The *Asahi* said that the Bank of Japan plans to withdraw its notes now in circulation in Central China through these agencies.

German Spy Trial Produces Sensation in U. S.

THE proceedings of the biggest spy trial in the United States since the world war produced a sensation Oct. 18, when Mr. Lamar Hardy, prosecuting for the American government, said that German spies had transmitted to Berlin the specifications for two American aircraft carriers, *Reuters* reported from New York where the trial is now under way.

They had been obtained, he declared, by forging President Roosevelt's signature on a fictitious order to the Navy Department. Mr. Hardy gave details of United States military secrets which, he

THE NAZI STEAMROLLER



Fitzpatrick, St. Louis Post-Dispatch.

alleged, had been sent to Berlin by German spies. He asserted that the activities of the accused were directed from Germany, with the assistance of two officials of German steamship lines, who resided in New York.

"This conspiracy," Mr. Hardy declared, "was conceived in and directed from Germany." He added that two of those indicted, but who were not present in court, "are attached to the War Ministry of the German Government, and are high German officials."

Mr. Hardy mentioned the name of Guenther Rumrich, deserter from the United States Army and one of the accused. He said that Rumrich would testify for the Government.

A German, named Sanders, who was reported to be attached to the Naval Intelligence Service in Bremen, Mr. Hardy went on, had told Rumrich to try to obtain information about the operations of American commercial factories, particularly those of the Du Pont Company and the Bethlehem Steel Corporation. Mr. Hardy also stated that Captain Erich Pfeiffer, of Berlin, who had been described as head of the German Secret Service, had once boasted that he had agents in every important airplane factory in the United States.

Counsel for the defense pictured three of the prisoners as innocent dupes and victims of a frame-up. The attorney for Erich Glaser, a private in the United States Army Corps, said that the secret aviation code, which Glaser was accused of stealing and sending to Germany, could be bought at any bookstall.

Rumrich testified that he had been born in Chicago and that his father had been a secretary in the old Imperial Austrian Consulate. Rumrich declared that he had twice deserted from the United States Army, and he told the court how he had become a spy.

Four Arrested in Panama

On Oct. 17, at Colon, Panama Canal, United States Army authorities turned four Germans arrested the previous day to the Canal Zone police for trial. The army authorities charged the four Germans with unlawfully obtaining information affecting the nation's defense, which is a violation of the espionage act. The arrested Germans are liable to receive a fine of U.S.$10,000 and two years imprisonment of both.

Mrs. Ingeboro Guttman and Mr. Hans Schackow, reported to be employees of Haphag-Lloyd Steamship Line's South American headquarters at Cristobal, Mr. Gisbert Gross and Mr. Edward R. Kuhrig were the Germans who were taken into custody by the Army authorities. They were detained by the Army officials until it was decided to turn them over to the civil authorities for trial. Mr. Gross and Mr. Kuhrig were arrested for alleged photographing of the defenses of Fort Randolph. They were arrested when they were alleged to have been caught taking pictures of the defenses after telling the guards in the vicinity of the fort that they carried no cameras.

Churchill Says Democracies Met With Defeat

TO Herr Adolf Hitler's caustic comments last week that it was the aim of men like Winston Churchill, Anthony Eden and A. Duff-Cooper to foment war, Churchill, himself, this week hit back at the German dictator. The one-time prime minister took to the air in a broadcast to America to answer the recent strictures.

After speaking on the disaster which had befallen Europe, Churchill reiterated his conviction that if, months ago, Great Britain, France and Russia had jointly declared that they would act together upon Germany, in the event that Herr Hitler committed an act of unprovoked aggression against Czechoslovakia, and had invited Poland, Yugoslavia and Rumania to join the combination of peace-defending powers, Herr Hitler would have been confronted with such a formidable array that he would have been deterred from his purpose, and the moderate forces in Germany would have been rallied.

"The Parliamentary Democracies and liberal, peaceful forces everywhere have sustained defeat, leaving them weaker to cope with increased dangers," Churchill declared. "The whole world wants peace and security, but have we gained it by the sacrifice of Czechoslovakia, which has been deserted, destroyed and devoured, and is now being digested? Will this bring a curse or a blessing on the world?"

The questions, Churchill continued, that all English-speaking peoples were asking themselves were:

"Is this the end, or is more to come? Can peace be secured by submission to organized and calculated wrongdoing and violence?" Churchill made a slashing attack on Communist and Nazi tyranny. "This combination of medieval passion, party caucus, weapons of modern science, blackmailing and the power of air bombing," he declared, "is the most monstrous menace to peace, order and fertile progress that has appeared in the world since the Mongol invasions of the 14th Century."

Europe now lay abashed and distracted, he went on, before the triumphant assertions of a dictatorial Power. He urged, for

BREATHING SPELL?

Fitzpatrick, St. Louis Post-Dispatch.

LIFE'S END FOR JAPANESE AND CHINESE ALIKE

Death as far as the eye can see. (Upper left) A Japanese officer surveys the results of brutal butchery of Chinese civilians by Nipponese troops at Hsuchow. (Right) A grotesque exhibition of Chinese skulls, placed by playful Japanese soldiers at Nanking. (Lower left) Last rites at Nanking for a heap of charred bones which once were Japanese soldiers. (Right). The remains of a none too well executed funeral pyre of Chinese.

the sake of peace, a swift and resolute gathering of forces to confront not only military, but moral, aggression.

Referring to dictators, Mr. Churchill said: "You see these Dictators on their pedestals, surrounded by the bayonets of their soldiers and the truncheons of their police on all sides. They are guarded by masses of armed men, cannons, airplanes and fortifications—they boast and vaunt themselves before the world. Yet in their hearts there is an unspoken fear. They are afraid of words and thoughts—the words spoken abroad and the thoughts stirring at home."

The Dictator, in Churchill's opinion, was all strong without and all weak within. Dictatorship, he concluded, was a passing phase that could not long endure if it was brought into contact with the healthy world outside.

British Author Leaves

Miss Freda Utley, noted British writer who, after a tour of China's war zones, has left for England. This week the *China Press* printed two articles under her name. Miss Utley takes the premise that Chinese must oust Japan by her own efforts if she is to achieve her complete independence. She points out that Japan could not continue her aggression if the British Empire and the United States ceased supplying her with war armaments. The British author also belittles Japan's claims for an early capture of Hankow, noting that they have missed their guess on at least a half dozen times, and that they may shortly, set the date of capture for New Year's Day.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Oct. 1.—Japanese attempt to encircle Chinese right wing on south bank of Yangtsze received serious setback when Chinese forces launched series of vigorous attacks in vicinity of Wuning, northwestern Kiangsi near Hupeh border. Chinese claim that after two days of severe fighting, in which six Japanese detachments participated, the invaders lost more than 2,000 men, the 3rd and 123rd detachments being wiped out. The Japanese at Shangchen, in southeast Honan, are pushing southwards in three columns towards Hupeh border. Hsuanchen, important city southeast of Wuhu, recaptured by the Chinese on Sept. 29, according to report received at Hankow.

Oct. 1.—Japanese transports, numbering 37, fully loaded with troops, left Woosung, reportedly heading for South China waters, according to foreign observers in Shanghai. Claimed that 20 transports left Tsingtao yesterday in the same direction. It was estimated that 35,000 Japanese are now on their way to the South. Renewed attempt to invade South China believed imminent.

Oct. 1.—Tokyo denied reports that that Japan had formally declared war on China. Foreign Office circles, however, asserted that rights and interests of third Powers in China applying sanctions against Japan in accordance with the League of Nations decision, would not be protected.

The League Council adopted (yesterday) report urging members to abstain from any action that could weaken China and to consider individually all measures to aid China.

Oct. 1.—Management of all Chinese silk mills and filatures in Shanghai-Nanking-Hangchow area taken over by the newly formed Japanese Sericultural Industry Company of Central China, according to report in **THE CHINA PRESS.**

Oct. 1.—The **Hankow Herald**, Chinese-owned English language daily at Hankow, suspended publication in order that its machinery could be moved to Chungking, where the paper will resume publication. Paper originally started by Bruno Schwartz an American who sold it to Chinese interests.

Oct. 1.—The Indian Medical Unit, sent by the Indian Congress Party, arrived at Hankow (last night) from Hongkong; is ready to proceed to any front where it is ordered. Five Indian doctors were entertained by Madame Chiang Kai-shek.

Oct. 1.—Japanese airplanes bomb trains on Peiping-Hankow Railway north of Hankow; Sinyang and Kwangshui main points attacked.

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Oct. 2.—Japanese reported concentrating some 40,000 troops on Peiping-Suiyuan, Peiping-Hankow, Tungpu and Chengtai Railways for new drive against Chinese guerillas. Chinese mobile units, especially the 8th Route Army, have been carrying out extensive raids on communications and occupying a large number of towns away from the railway zone. Japanese troops advancing westward from Loshan towards Peiping-Hankow Railway have captured Hwaitien in southeastern Honan.

In Kiangsu, Chinese forces recaptured (Oct. 1) Liyang, on west shore of Taihu Lake.

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Oct. 3.—Sanguinary fighting continues on both banks of Yangtsze River, especially in vicinity of Tienchiacheng, some 90 miles below Hankow. Part of Japanese troops at Tienchiacheng reported advancing northwestward along north bank towards Kichun. Boom at Tienchiacheng not yet penetrated by Japanese warships.

Japanese open drive on mobile units of 8th Route Army in Hopei and Shansi. Gen. Lu Chung-lin, Governor of Hopei and two Chinese governors in Japanese areas in the North recently conferred at undisclosed place to discuss ways of co-ordinating the operations of Chinese mobile forces in Shantung, Hopei and Shansi.

Oct. 3.—In retaliation of the League of Nations' decision authorising application of Article 16 of the League Covenant on sanctions against Japan, the Japanese Government will sever all relations with the various organizations under the League's auspicies, with exception of the World Court, according to Tokyo report.

Oct. 3.—French Concession authorities in Shanghai order the closing down of two Chinese universities, the Fuhtan and Utopia, which have been operating in the Concession since the Japanese accupation of the Chinese areas about Shanghai.

Oct. 3.—Three Chinese officers commended by Gen. Chiang Kai-shek for meritorious service, Generals Shang Chen, Group Army Commander in Honan, Hsueh Yo, Group Army Commander on Juichang-Wunning front, in northern Kiangsi, and Feng Li-ping under Gen. Hsueh.

Oct. 3.—More than 700 Chinese, deported by the Siamese Government, arrived at Swatow yesterday. Recently, more than 5,000 Chinese residents were arrested in Siam for unannounced reason, but supposedly for Chinese Nationalist agitation. Rumored Japanese influence responsible.

Oct. 3.—Gen. Chiang Kai-shek sent (yesterday) message of condolences to the family of Tang Shao-yi, who was assassinated at Shanghai on Sept. 30.

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Oct. 4.—Chungking, wartime capital of China, raided for first time by Japanese airbombers. Twenty-seven Japanese planes concentrated on bombing airfield; Belgian Embassy premises narrowly escapes direct hits. Three other Szechuan towns, namely, Liangshan, Fengtu and Fowchow, also bombed.

Oct. 4.—Squadron of Chinese planes yesterday heavily bombed Japanese troop concentrations and artillery position on east bank of Fu River, which is at present holding up the Japanese advance on Yanghsin, in southeastern Hupeh near Kiangsi border. Japanese claim capture of Panpishan forts, opposite Tienchiacheng, on south bank of Yangtsze above Wusueh, according to **Domei** report.

Oct. 4.—Chou En-lai, Communist leader who returned to Hankow from Shensi, declared position of Chinese forces in North China improved and the situation developing in favor of Chinese side.

Oct. 4.—Two Japanese newspapermen, Yoshiaki Takata, associate editor of **Osaka Mainichi** and Tsutomu Matsuda, correspondent for **Taiwan Nichi-Nichi Shimbun**, were killed and four others seriously wounded on Sept. 30, when an unnamed Japanese transport was bombarded by Chinese batteries along the banks of Yangtsze river, according to Japanese reports.

Oct. 4.—Approximately 25,000 bombs, costing at least $30,000,000 Chinese currency, have been dropped by Japanese airmen on Chinese railway lines since the outbreak of hostilities, according to Dr. Francis Pan, Director of General Affairs Department of Ministry of Railways.

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Oct. 5.—Small detachment of Japanese cavalry appeared at Kichun, on north bank of Yangtsze northwest of Tienchiacheng, but was repulsed.

Chinese forces launch attack on Japanese left flank southeast of Loshan, southern Honan.

Wutaishan, headquarters of Chinese 8th Route Army and guerilla forces, in Shansi, claimed occupied by Japanese.

Oct. 5.—Air raid alarm sounded at Chungking, but Japanese planes failed to reach city. Two of Japanese bombers which raided Chungking yesterday were shot down in east Szechuan in aerial battle with Chinese aircraft.

Oct. 5.—Chen Loh, "Minister of Foreign Affairs" of Nanking "Reformed Government," protested to French Embassy against construction of defense works in Siccawei and Hungjao Road areas by French military authorities in Shanghai.

Oct. 5.—Puppet officials of the "Reformed Government" of Nanking had narrow escape on Sept. 30, when the train carrying them from Shanghai to Nanking was derailed and attacked by guerrila units near Wusih, according to Japanese report.

Indicative of disturbing conditions in Manchuria, Japanese and "Manchukuo" troops staged 321 engagements with Chinese volunteers during July, August and September, according to **Domei** report.

Oct. 5.—Air service between China and Japan started today, according to **Domei.**

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Oct. 6.—Japanese forces on north bank of Yangtsze now halted at Kichun, while those pushing westward towards Wuning are at present 25 miles east of that city. Part of the town of Kichun flooded. Japanese positions in Tienchiacheng-Kichun-Kwangtsi sector in southeastern Hupeh, severely bombed by Chinese airplanes yesterday.

After recapturing Tsienshan, 40 miles northwest of Anking, capital of Anhwei, Chinese troops have also occupied Hohsien and Hanshan, thus directly menacing the Japanese rear at Hofei, central Anhwei.

Oct. 6.—National Government issued (Oct. 5) mandate commending the late Tang Shao-yi, who was

murdered at Shanghai on Sept. 30.

Oct. 6.—Provisional inheritance tax rates announced by National Government at Chungking.

Oct. 6.—Dr. Hu Shih, new Chinese Ambassador to the United States, arrived at Washington from Europe to take up his post.

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Oct. 7.—Japanese troops said gaining in drive toward Peiping-Hankow Railway, their immediate objective being Sinyang. Operating from Shangchen, southern Honan, the Japanese are trying to reach Machen, in north Hupeh. Chinese are rushing reinforcements to Liuling, immediately south of Sinyang (Liuling), where a Japanese cavalry detachment was reported, apparently with intention of cutting Peiping-Hankow Railway there. Foreign observers believe that Hankow will be safe for at least six weeks more, despite latest development on the Yangtsze front and on Peiping-Hankow Railway. Japanese claim Peiping-Hankow Railway cut at Liutienchen, second station south of Sinyang.

Oct. 7.—Southwest Development Economic Committee soon to be established with General Chiang Kai-shek as chairman.

Oct. 7.—One foreigner and about 30 Chinese passengers and truck drivers were killed when truck train returning to Shanghai from Wusih was ambushed near Wusih by Chinese guerillas on Oct. 5; the foreigner killed was a Russian (Jew) who was driving the truck. Guerillas used machine guns, hand grenades and rifles during attack; some wore regular army uniforms.

Oct. 7.—Remains of the late Tang Shao-yi encofinned in preparation for shipment to his native city in Kwangtung for burial.

Oct. 7.—Shanghai Municipal Council pays compensation of $1,000 each to relatives of the three soldiers of the Chinese "Lone Battalion," who died from injuries inflicted by White Russian unit of Shanghai Volunteer Corps on August 11, when the Russians attacked the "Lone Battalion" after the Chinese refused to remove a Chinese national flag from their concentration camp.

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Oct. 8.—Japanese troops which occupied two stations to the south of Sinyang said to have been driven away; traffic on Peiping-Hankow Railway resumed. Some 200 Japanese troops at Tungshuanho, first station to the south of Sinyang, reported wiped out. About 400 other Japanese troops, including both cavalry and infantry, which appeared at Liuling, second station south of Sinyang, forced to withdraw from railway zone as result of Chinese counter-attack. Huangtangpu, 12 kilometers east of Tehan on Kiukiang-Nanchang Railway, claimed captured by the Japanese.

Oct. 8.—During past four months of fighting on both banks of Yangtsze, Japanese casualties totalled 96,000, exclusive of sick, numbering 222,000, according to Chinese reports in Hankow.

Oct. 8.—All-Sinkiang Congress, now meeting at Tihua, the provincial capital, passed resolution providing for donation of ten airplanes to national air force by Sinkiang.

Oct. 8.—Chen Chieh, new Chinese Ambassador to Berlin, called at the German Foreign Office, to arrange the date for presentation of his credentials to German Government.
Dr. Cheng Tien-fang, former Chinese Ambassador to Berlin, who arrived at Hongkong on Oct. 6, proceeding to Hankow to report on his duties to National Government.

Oct. 8.—Thiry-five out of sixty-two districts in Anhwei province remain in Chinese hands. Of the other 27 districts, the Japanese actually have control over only 13 districts. Chinese guerillas active in Japanese occupied areas.

Akagi's Suggestion—Prelude to What?

Special Deputy Police Commissioner C. Akagi told the *China Press* Oct. 19 that the solution to the Shanghai problem was the calling of a round-table conference, to be attended by interested powers and delegates from various national and residents' associations here. Mr. Agaki's opinion was expressed during a discussion on the current negotiations which have been proceeding, he said, between Japanese authorities, the Shanghai Consular Body and the Shanghai Municipal Council on a number of outstanding issues.

Japanese Plan Local Cotton Mart

Plans are afoot to establish a new Cotton Exchange in Shanghai to cope with the situation created by the closure of the old mart following the outbreak of hostilities here last year, the *Shanghai Mainichi* reported this week. Sponsored by Japanese traders, the new exchange will be capitalized at $1,000,000. Its creation was expected by the daily by the middle of October.

China-U. S. Talks Regarding Loan 'Slowing Down'

WHILE the Chinese Financial Mission to the United States, headed by Mr. K. P. Chen, well-known banker, this week continued negotiations with prominent American industrialists for obtaining war supplies and credits, talked with the U.S. government about a wheat and cotton loan, Secretary of Treasury Henry Morgenthau is reported to have announced that no change will be brought about in the present silver purchasing policy of the United States until the end of this year.

It is not unlikely that such a change will be effected as from the beginning of next year. The silver purchasing policy of the United States obviously has not resulted in the effects it was meant to produce when it was started. In the United States alone the production of silver is on the decline. In July this year it was only 4,530,000 ounces, i.e. the smallest volume for any month so far this year.

In the other important silver producing countries, however, the production of silver is distinctively on the increase, and this could be largely ascribed to the silver purchasing policy of the U. S. Government. The total silver production of the world amounted in June, 1938, to 27,760,000 ounces, as compared with 20,440,000 ounces in the previous month. This is an increase of almost 40 per cent. Mexico alone produced in June, 1938, almost 100 per cent more silver than the month before, and increased its silver production by another 1,000,000 ounces in the following month of July.

Other countries imitated Mexico in this respect. Canada produced in July this year 2,112,000 ounces, as against 1,603,000 ounces in June. Peru at the same time increased its silver production from 1,300,000 to almost 2,000,000 ounces. The American Bureau of metal statistics estimates that if silver production in the world will continue on this extraordinary high level, this years silver production of the world will surpass 300,000,000 ounces and thus establish an all-time record.

China Forms Exception

As this development is the very contrary of what the United States intended to achieve in the world's production of silver, the prospects of a change in the United States' silver policy are obvious. The United States policy of purchasing silver from China, however, must not of necessity be affected by a change in the American silver policy in general. China not being a silver producing country, disposes only of a definitely limited amount of silver which she cannot further increase at will. Thus, as regards Chinese silver to the United States there should be no fear of unpleasant surprises.

Meantime, in Washington, government officials declined to name the industrialists involved in the negotiations with the Chinese Financial Mission which, however, including those with the Treasury Department over the wheat and cotton loans, were reported to be "slowing down." This factor was accredited to the costs of the war to China and the fact that the Japanese seizure of the Chinese Customs and revenues in leading ports has cut deeply into Chinese finances.

"I think it fair to say," a Government official told the *United Press*, "that the Administration and private industrialists alike want to aid China if possible, but the main problem is how will China get the money to finance her needs."

U. S. Loan Rumor

Meantime, Chinese reports from Hongkong said that the first of a series of Sino-American loans amounting to U.S. $30,000,000 has been concluded in Washington.

Overseas Chinese Invest $50,000,000

To assist the Government to develop the Southwestern Provinces and to convert them into the base of military operations against the Japanese invasion, Mr. Hu Wen-hu, multi-millionaire of Singapore and other overseas Chinese have recently organized an Overseas' Industrial Corporation. The corporation has decided to invest $50,000,000 in the Southwestern Provinces and Mr. Hu Chao-hsiang and Mr. Tsai Shing-chang have been sent to Yunnan and Kweichow Provinces to make arrangements for the organization of the company.

To Purchase $10 Million Worth of Foodstuffs

In view of the bumper harvest gathered this year in the interior provinces, the Central Farm Bureau and the provincial governments have built a number of granaries and purchased large quantities of foodstuffs for storage. In order to stabilize the price of foodstuffs this winter, the National Government has ordered the Central Farm Bureau to purchase another $10,000,000 worth of foodstuffs in these provinces. It may be noted that the National Government has spent no less than $70,000,000 in the past year to improve the rural economic conditions and to assist the farmers to increase their production. In addition, $30,000,000 have been spent by the Government to develop industry in the interior provinces Another $100,000,000 were distributed to the war refugees as relief funds.

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Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ou*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

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BRITAIN IS AIDING CHINA

(*Continued from page 253*)

desires to see Chiang retreat into the northwestern part of China, so that he may be kept within Communist sphere of influence. As a matter of fact, there is a sort of struggle between Soviet Russia and Great Britain to make political capital out of the Chiang regime. It is still too early to foretell how this struggle will end. But what is likely to happen is that Chiang will find it more profitable for him to keep in constant touch with Britain and France, from whom he will thus be able to import weapons, and take shelter in Yunnan Province.

The mere thought of such an eventuality will make it necessary for Japan to urge measures to establish a pro-Japanese regime in Southwestern China. It will thus become necessary for Japan to bring pressure to bear on the Chiang regime by force of arms, if not to drive it farther into the hinterland. In this sense we are fully alive to the necessity of attacking Canton, the haunts of anti-Japanese elements, and the island of Hainan. If pressure is to be brought to bear upon Chiang after his retreat to Yunnan or any other part of the interior, then a base of operations must be secured in a region comparatively near such a place of retreat. For this purpose nothing is more suitable than the occupation of Canton and Hainan.

No time should therefore be lost in carrying out such a plan. Delays are dangerous in matters of importance. If the far-reaching British policy materializes, as no doubt it will unless Japan acts promptly, we fear that we shall find not only that our sea defense line will be blocked, but also that our objective, namely the overthrow of the Chiang regime, will meet with a setback.

JAPANESE WRITER SEES SHIPPING REVENUES CUT BY HALF

(*Continued from page 254*)

ages, and those for Mitsui include the revenues accruing from its traffic business alone.)

Big Decline Predicted

From the foregoing figures, the present writer proposes to estimate, although quite roughly, the freight revenues for 1937, 1938 and 1939. With the charterages and ship repair charges being estimated at Yen 20,000,000 a year, the total revenues from the shipping trade and the net income (minus payments) would be Yen 270,000,000 or Yen 280,000,000 and Yen 160,000,000 respectively for 1937; and Yen 160,000,000 or Yen 170,000,000 and not more than Yen 100,000,000 for both 1938 and 1939. If the foreign currency freight revenues are reduced by 30 per cent due to the strengthened control of the exchange business as pointed out in the foregoing, the total revenues would decline to Yen 180,000,000 or Yen 190,000,000 for 1937, and to the neighborhood of Yen 100,000,000 for 1938 and 1939. In spite of the fact that these figures are nothing but rough estimates, it is clear that it is going to the extreme even for some pessimistic observers to predict reduction of the nation's shipping revenues to nil, although they will dwindle almost by half in all likelihood.

Be that as it may, it is urgently necessary for Japan to take proper steps for acquiring freight revenues as much as possible and, still more important, for maintaining her vested rights on the world shipping market in order to push through the current hostilities on a long term basis. The fact is, however, that it is a ticklish task to allot more ships for deep sea operations. Hence comes the need of enforcing rational control over the placement of bottoms.

It is highly hoped that the private interests will take measures for covering the loss to be incurred in the overseas services with the surplus profits accruing from the active coastal operations, and that they will strengthen their mutual cooperation for bottom distribution, loading and other activities on a pool basis. The Government, on the other hand, is urged to grant a subsidy to the unprofitable deepsea operations. Further, it would be a good idea for Japanese interests to register some of their ships in some friendly countries and operate them under the foreign flags on the high seas.

Military Changes in China

The Durham Light Infantry sailed from Shanghai for Tientsin Oct. 17 aboard the British troopship Lancashire. Sailing with them was Lieutenant Colonel R. W. Galloway, commander of the British Military Hospital here, who is going to England via Siberia.

A company of the battalion will be stationed in Peiping, and the rest will occupy billets vacation by the 1st Battalion of the Lancashire Fusiliers who are going to India.

Fusilier Rewarded

Another military item of interest to Shanghai readers is contained in the news that Fusilier R. W. Sheldon of the 1st Battalion, The Lancashire Fusiliers, will have the Order of the British Empire (Military Division) pinned on him by Major-General A. W. Bartholomew, commanding the British Troops in China, when the troopship Lancashire arrives at Hongkong from Tientsin and Shanghai. The award will be made for meritorious service rendered on June 9, when he carried out notable despatch work between Tientsin and Peking. On several occasions he delivered highly important despatches under great difficulties.

U. S. Marine Chief Here

A ceremonial parade of the Fourth Regiment, United States Marine Corps, took place Oct. 20 at the Racecourse when Col, Joseph C. Fegan, who will assume command of the unit after the departure of Col. Charles F. B. Price, the present Commander, for America, reviewed the assembled troops.

Col. Fegan arrived in Shanghai, accompanied by his wife Oct. 13 and was met at the Customs Jetty by Col. Price and other Marine officers. Col. Price is expected to leave for the United States at the end of the month, and will be the guest of honor at a dinner and dance to be given by the American community at the Columbia Country Club on October 22.

Before his Shanghai appointment Col. Fegan was stationed at the Marine Barracks in Washington, where he served as Commander. In July 1936 he was appointed as special aide to President Roosevelt, during the latter's visit to the Governor General of Canada. He was born in 1886 and received his appointment as Second-Lieutenant in 1909, following his graduation from the U.S. Naval Academy. In 1913 he was appointed First Lieutenant, and attained the rank of Captain in 1916. He was promoted to Major in 1918 and he became Lieutenant-Colonel in 1934, gaining the rank of Colonel in 1936.

The new Commander served in Panama from 1909 to 1910, and in 1913 was stationed in Cuba. During the years 1916 to 1918 he saw service in the Philippine Islands, and from 1923 to 1924 he was at Santa Dominica. For several years he was stationed in Haiti, where he did active service with the Guard de Haiti upon the formation of the republic there. At sea Col. Fegan has served on the U.S.S. Florida, and the U.S.S. Cincinnati.

70 Foreigners Given Decorations by Chinese Government

More than 70 foreigners were awarded decorations on Oct. 10, the 27th Anniversary of the founding of the Chinese Republic. France headed the list, with Czechoslovakia second, then America, Belgium, Italy, Holland, Great Britain, the Netherlands East Indies, Sweden and Norway. Germany was not represented. The list of honors and their recipients follows:

The Grand Red Cordon, with White Borders, Of the Order of the Brilliant Jade:

Belgium: M. P. H. Spaak.

The Grand Blue Cordon of the Order of the Brilliant Jade:

France: M. A. Varrenne; M. F. de Tessan; M. L. Archimbaud; Generals Georges; Dentz; Decamp.

America: Messrs. F. H. LaGuardia; A. G. Ruthven; J. R. Angell; G. Wilkins; Professor John Dewey.

Czechoslovakia: MM. J. Smutny; J. Jina; Major-General V. Sara.

Belgium: M. A. Sergysels; General R. Pontus.

The Netherlands: M. H. J. van Mook.

Norway: M. N. Aall.

The Grand White Cordon of the Order of the Brilliant aide:

The Netherlands: Dr. Tjarda van Starkenborch Stachouwer, Governor-General of the Netherlands East Indies; M. K. de Vill.

America: Messrs N. M. Butler; J. B. Moore.

Belgium: M. F. Langenhove.

France: M. G. Mandel.

The Red Cravate, with White and Blue Borders, of the Order of the Brilliant Jade:

France: MM. S. Grumbach; G. Peri; Professors J. Escarra; P. Langevin; L. Laloy; F. Challaye; L. Evrolles.

Italy: Signor E. Grazzi; General E. Ilari; Admiral O. Somigli.

The Netherlands: MM. J. E. van Hoogstraten; A. N. J. Lovink.

Belgium: M. de Shellinck.

The White Cravate, with Red and Blue Borders, of the Order of the Brilliant Jade:

Czechoslovakia: MM. V. Havlocek; O. Busek; V. Hromadko; V. Visek; F. Kubka; Mme. M. Planinkova; Mme. M. Havrankova; Professor J. Z. Schneider.

France: Lt.-Colonel Mierry; Lt.-Colonel Pettibon; Lt.-Colonel Vallet; MM. G. Moutet; C. Lippissier.

Italy: Signors E. Zappi, Macchi di Cellere; Lt.-Colonel A. di Bottini.

America: Messrs. G. Whalen; John L. Buck.

Great Britain: Commander Ford.

The Red Rosette, with Blue and White Borders, of the Order of the Brilliant Jade:

France: Mme. G. Tabouis; Mme. G. Perreux; MM. G. Scize; G. Mousset; L. Bress; R. Laurens; J. Anthoin.

America: Messrs. K. S. Latourette; E. L. Brown.

Czechoslovakia: Miss M. Kuhnlova.

Sweden: Mr. G. W. Oliveckrona.

The Blue Rosette, with Red Borders, of the Order of the Brilliant aide:

France: Captains Renard; Dronneau.

Belgium: M. A. Schroeder.

Pen Users Acclaim Parker Vacumatic

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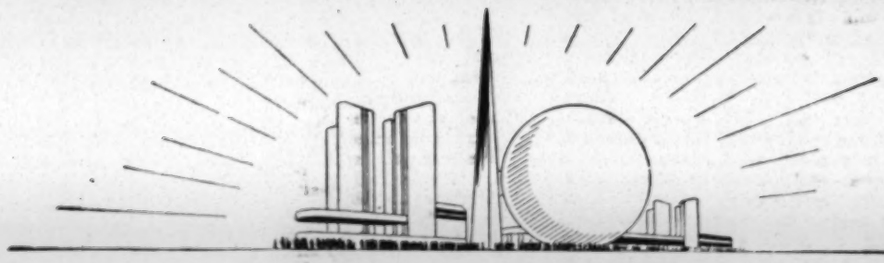

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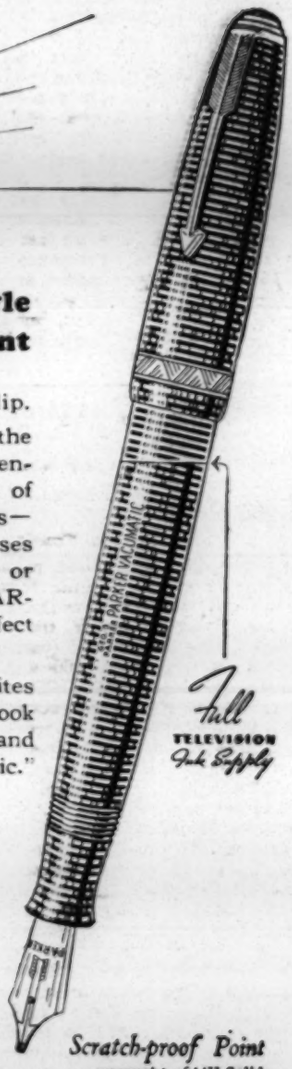

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German Reply to Baruch

With regard to the statements made to press representatives by the American financier Bernard Baruch, who expressed the view that it was necessary for the United States to be prepared for war since Germany together with Italy might plan conquests in South America in order to obtain access to raw materials and markets for the sale of industrial products, the *Deutsche Diplomatisch- Politische Korrespondenz* on Oct. 16 remarked:

"German has always maintained that every country must be responsible for its own defense and is entitled to take whatever measures it considers necessary. That however does not mean that persons who obviously claim to have a certain responsibility are authorized to support their aims with calumnies impugning the honor of Germany and which are obviously designed to damage Germany's interests. Germany has commercial interests in America just as the United States have commercial interests in Europe. And just as little as the United States—at all events it is assumed—have no territorial or other imperialistic intentions in Europe, so Germany has none in America.

"The reproaches made by Baruch are in the same category as the endeavors of the warlike clique unfortunately to be found in England. These international circles, to which a man like Baruch belongs for obvious reasons, are clearly ready to use any means that serve their ends in order on the one hand to earn more money from new preparations for war and on the other to be able to prepare public opinion for the unleashing of another ideological war. Not only do they demand the sharpest supervision of the authoritarian states but also seek to arouse in their own countries the resentment of the broad masses who can certainly not be made responsible for such unworthy aims."

The *Korrespondenz* emphasised that President Roosevelt did not identify himself with the utterances of Baruch who had visited the president shortly before addressing the press and that Roosevelt had not taken up any attitude towards Baruch's statements.

Huge Consumption of Japanese War Material

Most of the Japanese rifles and ammunition seized by the Chinese troops in the Wankiashan area, west of Teian, in northern Kiangsi, were manufactured in June of the 13th Year of Showa (1938), according to an inspection made by the Chinese Army Headquarters. This fact clearly indicates the huge consumption of war material by the Japanese in their campaign against the Chinese, Hankow remarks.

Who's Who in China

楊廉字恩欽

Yang Lan (Yang Lien)

Yang Lan, educator and Government official; born in Anyo, Szechuen, 1896; B.A., Peking University, 1925; M.A., 1930; principal, Bunfu Middle School, Anhwei; Secretary, Bureau of Education, Chekiang; member of Civil Service Examination Committee; Head, Department of Education, Chekiang University; Professor, Peking University; Special Commissioner, Ministry of Education; commissioned to study educational condition in America and Europe by Chekiang Provincial Government, 1930; again visited Europe on same mission by order of Ministry of Education, 1932; Director, Department of Education and member of the Anhwei Provincial Government, 1932-38; now member, Szechuen Provincial Government and Commissioner of Education; author of "Planning Teaching Method," and "Western Educational History"; address: Education Department, Szechuen Provincial Government, Chengtu, Szechuen.

JAPAN'S BLACK DRAGON SOCIETY

(Continued from page 256)

arrested for it. These supporters of the cult of assassination seem to be closely allied with the reactionary chauvinistic movement in Japan, which includes as General Sadao Araki, Minister of Education, and Baron Hiranuma. The former Minister of Foreign Affairs, Koki Hirota, is said to have been a pupil of Toyama and to be still an active member of the Black Dragon Society. Even foreigners surprisingly enough, are not entirely excluded from membership in the Black Dragon group. In addition to the Indian, Bose, already mentioned, the internationally notorious spy of many aliases, Trebitsch-Lincoln, who now calls himself Abbot Chao Kung, is known to be in the employ of the Black Dragon Society and is said to be an honored member. During the present struggle with Japan, he has been employed in Japanese propaganda at Tientsin in connection with promoting the work of a "league of truth."

The activities of the Black Dragon Society and its related organizations are manifold. In any particular instance, it may be difficult to say what it has done since it works in secret. It is known beyond any reasonable doubt, however, that it works as the advance agent of the Japanese militarists, operating as spies, as agents provocateurs, and, in general, as the doers of any particular odd job for the Japanese warlords that will not bear the light of day. Murder, arson, robbery and assassination are all a part of their technique. After war has started, the Black Dragon *ronin* continued their previous activities on an even larger scale. They are particularly in evidence in the rear of Japanese armies, where they find employment in the Special Service Section of the Japanese Army. That they are responsible for the wholesale lootings that have occurred in the districts of Shanghai occupied by the Japanese Army may be regarded as certain.

Even Loot Homes

Being utterly unscrupulous, these dregs of society do not hesitate to loot even the homes of Koreans and Japanese in cases where the occupants of residences have temporarily vacated their premises on account of the hostilities. In the opinion of some, they probably set the huge fires that burned in Nantao for two months or more after the Chinese troops left, the fires being for the purpose of wrecking Chinese industries and also for the purpose of covering up their depredations. They have also been concerned in the setting up of puppet organizations, employing Chinese criminals and others, for the purpose of carrying out assassinations and other terroristic acts in the International Settlement and the French Concession of Shanghai.

Utter unscrupulousness is the keynote of the Black Dragon and its kindred organizations. In its struggle for the domination of China and for the overthrow of the Three Principles of Dr. Sun, no ameliorating element of fair play, of kindliness or of respect for international engagements has a part. The boasted chivalry of the *samurai*, as set forth in *bushido*, is missing to such a degree in these organizations founded by men of the old *samurai* tradition as to suggest that the whole code of *bushido* is scarcely more than a figment in the fertile brain of Dr. Inazo Nitobe, who under the influence of western civilization, read into the records of his own people what was not there.

The leaders of the Japanese Government have shown their utter lack of the qualities necessary for intellectual and moral leadership by giving employment to these agencies of hell, thus providing an example of international hooliganism possibly never before paralleled in the history of the world.

Men and Events

The Chinese-owned San Hsin Cotton Mill, previously located in Chapei, has resumed operations in the International Settlement. Its losses in the war were $600,000.

Prince M. C. P. Sukhhavasti of Siam who has been studying in the United States for several years, and has received degrees from Miami and Princeton Universities, arrived in Japan on Oct. 15 on his way home to Siam.

Rates for airmail between Japan and China, over the service of the new Japan Air Transport Company, will be 35-cents for each 20 grams for letters, 18-cents for each 20 grams for postcards and 75 cents for each 60 grams for printed matter.

According to the *Sin Wan Pao* 47 factories have been established in the western district of Shanghai, the number of laborers employed exceeding 130,000. The factories include 16 cotton weaving mills and 8 silk weaving plants.

Dr. Joao Maria da Silva de Lebre E. Lima, new Portuguese Minister to China, presented his credentials at the Chinese Foreign Office in Chungking on Oct. 15. He is returning to Shanghai by way of Kunming, Yunnan and Hongkong.

The Japanese announced, according to *Domei* on Oct. 16 that four Russians, two Indians, one Greek, four Chinese and two Britons had donated the total sum of $1,923 to the Japanese national defense fund.

Col. Delsuc, brevet Staff Officer of the French Army, who recently arrived in Shanghai, has been appointed Commander-in-Chief of all French forces in China, the order becoming effective on Oct. 12. Col. Jacomy, the previous commander, has gone to Indo-China to take up a staff command.

Ali Mohhamed Sheybany, Charge D'Affaires for Iran, returned to Japan on Oct. 16, following a visit in Shanghai. He traveled from Shanghai to Fukuoka by a plane of the new Japanese air service. While in China, Mr. Sheybany was taken on a trip along the Yangtsze by the Japanese military authorities.

Miss Lee Yang Ching, graduate of the Boeing School of Aeronautics at San Francisco, who has been active in aviation affairs in China for sometime, departed from Manila on the China Clipper on Oct. 15 on a trip to the United States. The object of her trip is to assist in the raising of relief funds in the United States.

The affairs of the Chosen Corporation, a British Japanese gold mining concern in Korea, are to be investigated by the British Board of Trade, according to *Havas* report from London on Oct. 13. Sir Wm. H. Peat, prominent chartered accountant, has been appointed special inspector to audit the firm's account.

According to *Domei* report from Tokyo, Oct. 13, the Bank of Japan, will shortly open a branch in Shanghai, the action being necessary because of the large quantities of Japanese notes which have accumulated here, making necessary a state depositary. The agency probably will be established in connection with the local office of the Yokohama Specie Bank.

The Chinese order of the White Jade, recently authorized by the National Government, was formally presented to President Cardenas of Mexico on Oct. 15. The presentation was made, according to *Transocean*, in recognition of President Cardenas' efforts to further world peace. The presentation was made by the Chinese Minister to Mexico.

The new Italian Ambassador to China, the Marquis Francesco Maria Taliani de Marchio, arrived in Shanghai this week from Rome. He was accompanied by his wife. He is a well known diplomatic figure in Italy and has written several treatises on politics and diplomacy.

The British Government has sent a Royal Commission of nine members to investigate social and economic conditions in the British West Indies. The commission is headed by Lord Moyne and will visit Barbadoes, British Honduras, British Guiana, the Leeward and Windward Islands and Tobago. Sir Walter Citrine, general secretary of the Trades Union Congress, is a member of the Commission.

Three members of the American Church Mission in Nanchang had a narrow escape from serious injury on Oct. 4 when Japanese bombs were dropped within 30 yards of the house in the Methodist Compound, where they were staying. Several pieces of shrapnel crashed through the doors and were imbedded in the woodwork near where the group had been standing, but fortunately they had sought refuge under the stairway.

Dr. Otto Schodl, professor at the Tokyo Women's Medical College and the Naval Medical School, died on Oct. 14 at the age of 62-years. Dr. Schodl, prior to going to Japan was professor at Temple University, following which he was government health officer in the Philippines. He went to Japan at the time of the earthquake in 1923. He was born in Prague.

The Board of Trustees of the British Boxer Fund, according to *Kuomin* report from Chungking, has appropriated the sum of $263,000 in the form of "grants in aid" for Chinese scientific research and study. The report stated that 183 applications for assistance from the fund, had been granted, although the total number of applications exceeded 1,600. Of the sums appropriated $222,000 will go to senior middle schools and the remainder to research institutions in Chungking, Kwelin, Kunming and Kweiyang.

Noboru Oyama, formerly principal of the Daiichi Shinko Commercial School at Kobe, has been appointed principal of the Japanese Commercial School, operated by the Japanese Residents' Association in Shanghai.

J. Sevilla, Filipino attorney residing in Washington, has prepared a brief requesting the District Court to review the appointment of J. M. Elizalde as resident Philippine Commissioner in Washington. Legal experts expressed the opinion that Mr. Elizalde's citizenship status was something for the Philippine authorities to determine. They also questioned the authority of the District Court to investigate the matter.

Hiroshi Saito, late Japanese Ambassador to the United States, who resigned when he was offered the position of Foreign Minister in the Tokyo Cabinet, upon the recent resignation of Gen. Ugaki, has entered an emergency hospital in Washington for what was described as a minor operation. Mr. Saito announced that the strenuous work in Washington had undermined his health.

The action of the Department of State in refusing admission to the United States of John Strachey, English novelist, was severely criticized by the *New York Evening Post* on the ground the action was irregular as Mr. Strachey's visa was cancelled without notice, after having first been issued. The *Post* declared that Mr. Strachey was entitled to a hearing. The *New York Times* also criticized the action declaring that Mr. Strachey should have been given the benefit of the doubt. The State Department's action was taken on the ground that Mr. Strachey is a communist who was planning a lecture tour in the United States.

Mrs. Donald Roberts of St. John's University was the speaker at the first fall meeting of the Daughters of the American Revolution, held at the American School, on Friday of last week. She spoke on the subject, Contemporary Political Events in European Countries. The Regent of the Chapter, Miss Cornelia Richardson and the Registrar, Dr. A. M. Thompson, welcomed members and invited guests. Mrs. O. M. Dawson and Mrs. A. M. Dunlap, members of the Committee on National Defense and Patriotic Education, reported on the activities of the Society in this connection.

Pan-American Airways, which operates Clipper mail and passenger planes between Hongkong and the United States, by way of the Philippines, Guam, Midway, Wake and Honolulu, has requested permission to raise rates for airmail. In its application for an increase, the Company cited its operating loss of U. S. $472,858 for 1937 and U. S. $373,523 for the first six months of 1938. The company requested seven dollars a mile for the first 1000 pounds for outbound mail after which it asked for U.S.$1 each pound or fraction of a pound for each 1000 miles between Guam and Honolulu, U.S $16 between Guam and San Francisco and U.S $8 between Hawaii and San Francisco. The company's present rate is U.S.$4 each mile for the outbound mail and nothing for inbound mail.

Two enlisted men of the Service Company, Fourth U. S. Marines, are under detention pending investigation of an alleged assault on a 14-year old Chinese beggar girl. It is probable the men will face a general court martial. According to the testimony of the girl, named Tsou Shing-ou and her friend Lang Ah-mao, the girls were lured from a refugee camp by a ricksha coolie to a lane on Sinza road where the attack allegedly took place. The ricksha coolie was given two years and six months in jail in the First District Court. The marines have pleaded not guilty to the charge.

The Japanese military authorities have announced the early re-opening of the motor road connecting Shanghai and Wusih, which was badly damaged by airbombing and heavy traffic during the course of the hostilities last year. The announcement stated that a "small fee" was being collected from all motor vehicles using the Shanghai-Taitsang section, to defray the expense of the repair work.

M. Andrej Bohamolec, new Polish Acting Consul-General at Shanghai, and concurrently First Secretary of the Polish Legation in China, arrived in Shanghai last Sunday, from Dairen, having made the trip across the U. S. S. R. by rail. Mr. Bohamolec was previously connected with the Polish Ministry of Foreign Affairs at Warsaw. In 1933 he made a sensational voyage across the Atlantic Ocean in a small yacht and later participated in the yacht race at the Chicago World Fair, as the representative of the Polish Yacht Club. Dr. Jean Krysinski, former Consul-General here has joined the foreign ministry at Warsaw.

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CUSTOMS NOTIFICATION No. 1633.

DRAWBACK CHEQUES DATED BEFORE 1ST JANUARY, 1936 TO BE INVALIDATED AFTER 31ST JANUARY, 1939.

In accordance with instructions from the Inspector General of Customs, the public is hereby notified that all unclaimed cheques dated between 1st January and 31st December, 1935, will be destroyed unless claimed before 1st February, 1939. Similarly, Drawback cheques dated between 1st January and 31st December 1935, which have been issued but not cashed, will become invalid after 31st January, 1939.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 15th October, 1938.

Commander H. E. Overesch, U. S. Naval Attache in Peiping, is visiting in Shanghai.

The Szechuen provincial government, according to a report from Chungking, has registered more than 750,000 opium addicts.

Gerald L. G. Samson, British writer, previously a resident of Shanghai, but now living in Hongkong, has joined the staff of *Reuters* service at Hankow.

George Fischer, son of Dr. O. Fischer attorney of Shanghai, has enrolled as a student at the School of Journalism of the University of Missouri. Columbia, Mo.

The British authorities on Oct. 13 banned the American "March of Time" film synopsis on the ground that it might be "dangerous," as the film dealt with the recent Czech-German crisis.

The Japanese Consul-General in Hongkong has advised the German Consul-General against the holding of an anniversary celebration at the German Hospital in Tungkwan, Canton, on Oct. 23, on the ground that "a big assembly is naturally not advisable under present circumstances."

The faculty and alumni of Tsinghua University in Chungking, have formally inaugurated a Tsinghua Middle School at the town of Kiangpei. The Nan Yu Middle School, located at Shapinpa, Szechuen, will change its name back to the Nankai Middle School this month, which is the 25th anniversary of the founding of the famous educational institution.

Chungking, seat of the National Government, will shortly become a leading newspaper publishing center. In addition to the English language *Hankow Herald*, now being removed to Chungking, two leading Chinese papers, the *Shao Dan Pao* and the *Ta Kung Pao* will publish editions in the new capital.

The revenue department of the National Government at Chungking, has issued revenue stamps containing the photographic likenesses of President Lin Sen, Gen. Chiang Kai-shek and Dr. H. H. Kung. The stamps are in denominations ranging from 10-cents to $1 and are to be sold through local postoffices.

The Chung Hwa Book Company, which suffered heavy losses in the hostilities at Shanghai, will shortly resume operation under foreign (occidental) management in the International Settlement. The Company (*Sin Wan Pao* report) will be known in future as the Yungning Printing Company.

Miss Aline Dulsky, who is a grand-niece of the famous pianist and former Premier of Poland, Ignace Paderewski, was married on Oct. 8 to J. P. Koehler, an American, who is connected with the recently organized Associated American Industries. Mr. Koehler was formerly a torpedo expert with the U. S. Navy. The Rev. Edwin Marks officiated at the wedding, which was attended by the bride's mother, Mrs. I. Dulsky and many friends. A. T. Rowe, U. S. Vice-Consul witnessed the ceremony.

Because a Chinese-owned factory, located on Yu Yuen Road, allegedly refused to make alterations necessary to eliminate smoke and noise and also to discontinue night work, the Public Works Department of the International Settlement blockaded the street in front of the plant, making it difficult for the management or employees to enter or leave the place. The proprietors claimed that the discontinuance of night work would throw 200 workers out of jobs.

According to the German *Transocean* news service, the Turkish Government raised strong objection to a lecture tour scheduled for various cities in Balkan countries by the Briton, Sir Ronald Storrs, who planned to talk on subjects concerned with the life and activities of Col. Lawrence of Arabia. Turkish papers referred to Col. Lawrence as a British spy who incited the Arabs to rebellion. The Turkish paper *Cumhuriyet* advised Sir Ronald Storrs to "take his lecture to Palestine."

The funeral of the late Mrs. Lucy Freeman Perry was held at the funeral directors on Kiaochow road, on Thursday afternoon, Oct. 13. The service was conducted by Dean A. C. S. Trivett of the Cathedral. Mrs. Perry was born at Fayettsville, North Carolina, on Nov. 10, 1863. She came to China in 1916 and has since made her home with her son-in-law and daughter, Mr. and Mrs. A. F. Kimball. Her husband, the late James Fowle Perry, was the founder and editor of the *Wilmington Dispatch*.

A committee, composed of foreigners and Chinese, under the chairmanship of G. E. Mitchell of Butterfield and Swire, has been formed to administer the Hsu Sing-loh Memorial Fund. The secretary of the Committee will be Chen Shao-chong while W. C. Cassels of the Hongkong and Shanghai Bank and Low Yohmin of the National Commercial Bank will serve as joint treasurers. Other members of the Committee include Paul Hopkins of the Shanghai Power Company, Li Ming of the Chekiang Industrial Bank, M. Speelman of the International Savings Society, A. Sadoc, Yu Ya-ching and Y. C. Chang, local businessmen. The memorial will consist of a fund to provide scholarships for Chinese youths of insufficient means for educations. Scholarships will provide tuition in leading educational institutions. Hsu Sing-loh, leading Chinese businessman and banker here was killed by Japanese aviators when the C. N. A. C. passenger plane was forced down at Canton.

Sakujiro Yamanaka, noted Japanese movie producing director, was killed in action on the Chinese front, according to report in the *Asahi* on Oct. 5.

An Italian twin-engined plane, owned by the Turin newspaper *Stampa* and piloted by Lualdi, a member of the staff of the newspaper, with four assistants, will attempt to break the record for distance flights, from Rome to Tokyo, in the coming November.

Isamu Noguchi, American-born Japanese, was awarded first prize of U. S. $1,000 by the *Associated Press* in a contest for the best design for a corridor bas-relief for the new *Associated Press* building at Rockefeller Center, N. Y. The winning design by Noguchi depicts five men at work with camera, telephone, pencil, wireless and typewriter.

Mrs. R. R. Service, who has been in the United States for several months, returned to Shanghai this week and will shortly go to Chefoo to visit her son R. M. Service who is connected with the U. S. Consulate in that city. Another son, J. S. Service, Consul at Shanghai, accompanied by his wife, will shortly depart for the United States on leave. Mrs. R. R. Service is residing at 10A Route Winling while in Shanghai.

R. C. A. Executive Entertains Head of New Japanese Telegraph Service

George F. Shecklen, representative in China for Radio Corporation of America, was host at an informal luncheon at the Cathay Hotel last week for Baron Y. Togo, member of the Japanese House of Peers, who is chairman of the Japanese Central China Telegraph Company, the organization which took over and is operating Chinese telegraphs, telephones and radio services in Central China. In addition to Baron Togo, there also were present T. Fukuda of the Central China Telegraph Company, K. Kabayama and T. Mayazumi, chief engineer and secretary of the company respectively. Foreigners present included P. S. Gilman of the American Trading Company; George Green, National City Bank; C. J. Breen, Shanghai Coal and Lumber Company; James Howes of the American Chamber of Commerce; Floyd James of the R. C. A. Communications; E. H. Cressy of the American Baptist Mission Board. The discussion which followed the luncheon indicated that communications services as operated by the Japanese concern are greatly inferior to the services given by the Chinese authorities who were ousted by the Japanese Army. The concensus of opinion was that the foreigners generally resented the presence of Japanese troops here and that the activities of the Japanese Army had throttled business at Shanghai. The Japanese telegraph company was regarded as inefficient and few foreigners used it except where absolutely necessary.

It was announced on Oct. 11 that the Japanese are shortly organizing a North China Telephone and Telegraph Company, similar to the one here, and in addition will shortly form a North China Communication Company, both of which will be subsidiaries of the Great North China Exploitation Company. The Communications Company will control all railways in North China, superseding the Railway Bureau of the S.M.R. which has been functioning in that field.

Girls Who Cause Anxiety

A WARNING TO ALL MOTHERS

Many mothers have reason to be worried about their daughters, especially those in their teens, for it is in these trying years that anæmia often develops. The anxious mother sees her daughter gradually droop and grow fragile, bloodless and nervous.

These conditions indicate plainly that Nature is calling for more nourishment than the blood can supply, and signs of distress are evidenced by dull eyes, pallid cheeks, a languid step, fits of depression, an aching back, periodical headaches, and a dislike for proper nourishing food.

The watchful mother will recognise these signs of anæmia, and take prompt steps to give her daughter the new blood her system is clamouring for by giving her Dr. Williams pink pills. Thousands of unhappy, feeble, anæmic girls have been transformed into robust women through the good red blood these pills infuse into the system.

In the treatment of anæmia no other medicine has ever succeeded like good old Dr. Williams pink pills; they generate that fresh supply of rich blood which is absolutely essential to the anæmic girl. All chemists sell them.

New Books of Interest in the Far East

China's First Woman Speaks

Madame Chiang's Messages in War and Peace. By Mayling Soong Chiang. Publishers not mentioned. First edition limited. Others to be published abroad at a later date. 381 pp.

One small book, bound in blue silk and printed with hand set type, contains all of a great nation's hope for tomorrow, fear of today, and pride of yesteryear. Volumes have been written about this the oldest of living peoples, but it was the voice of one native daughter of China, lifted in an appeal for sympathy and help, that won the understanding of the western world.

It is doubtful if one woman has ever had a larger audience than Madame Chiang Kai-shek, and she shows more than a little shrewd practicality in tempering her message to suit the needs of her listeners. This compilation of her speeches, broadcasts, special articles, and newspaper interviews is an amazing mixture of forthrightness, diplomacy and emotion.

There could be no more direct accusation than that levelled by China's first lady at the people of America and at all nations bearing the proud title of democracy. Speaking of the ruins of international agreement, she charged that "it is the civilized nations who have really permitted this collapse of treaties and this twentieth century revival of the wholesale brutal murder of innocent civilians."

But if this feminine national leader can be direct, she can also speak in a manner worthy of study by diplomats everywhere. When asked by a correspondent for an Indian newspaper for a word of advice on that country's emancipation movement, she made answer thus: "If it were competent for me to advise the people of India I should tell them to step very carefully in all the measures that they have in mind for the development of independent national life. It seems quite likely that when the people of India are able to achieve unity of purpose and demonstrate capacity to rule and protect themselves that they will be granted all the freedom that they desire . . . . What is happening to China should be watched by the leaders of India with great attention. The fate of China is fraught with a deep and abiding lesson to all who are striving, according to their own lights, to effect a radical and rapid change in India."

It is when describing the destruction of her homeland that Madame Chiang achieves a dignity in emotional utterance that is hard to surpass in modern literature. There is pride as well as sorrow in her broadcast message to America: "If the whole of the Occidental world is indifferent . . . . and abandons its treaties, we in China who have labored for years under the stigma of cowards, will do our best. We will try to fight till we win or till we are really beaten to our broken knees, even if our good earth, with all its history and cares, is steeped with blood, swept by fire and destroyed."

A study of the various articles compiled in this one volume gives a definite picture of the woman who wrote them. She is one who is not over-given to optimism, whose mental processes are analytical as well as critical, who expresses resentment coolly enough but who can become humanly indignant at the failure of the world's strongest nations to act in any but the weakest of ways.

The future of even a victorious China, warns Madame Chiang, will not be all roses. When the time comes for reconstruction it will be found that the whole nation will have to be rebuilt. However, if China out of this chaos learns how to build a more solid future, as the more optimistic statements of Madame Chiang suggest, then some, at least, of the present destruction will have been worthwhile.

While Madame Chiang remains resolutely hopeful towards China's future, she is keenly aware that before China can hope to assume a place among the great nations of the world there will have to be many far reaching reforms. China's backwardness, she explains, is partly due to the fact that "our dilatoriness to date has really been largely due to our national characteristics never having been given a proper airing, or scrubbing, or drycleaning; never having been pegged out on the line as it were."

It may come as a surprise to many foreigners that Madame Chiang lists "substantial and unashamed humility" as the first requisite for a new China. There must be a change from the "know-it-all" attitude which she admits was almost a national fault. A change of heart is also in order in many officials and in leaders of civilian circles. Those who must do an about-face are the drones, the too clever individuals—who check plans for the common good either to demonstrate their own superior mentality or else to increase their bank accounts—and the "face savers." Madame Chiang has much the same opinion of "face" as Lin Yutang. To both of them it is the supreme curse of China.

This volume of Madame Chiang's work is divided into two parts: War messages and pre-war writings. Of the latter section, by far the most interesting are three short stories. Had Madame Chiang been born at a different time or with a less practical nature, she might have become China's No. 1 woman novelist.

Is there any significance in the inclusion of these "Three Tales of Old China" in this book of war messages? It seems strange to come upon them after reading of the misery and death wrought by force of arms. These are stories of China in peace when scholarship was a man's highest attainment, when constancy, fidelity, and the keeping of the spoken word were esteemed above power and might. They are stories of the old days which the world has long outlived, but which, perhaps, have some wisdom still.

The publishing of this 349 page book was in itself a difficult task. An editor's note in the preface states that it was compiled in Hankow where there are few modern printing facilities. The book was handset by Chinese compositors who knew little English, and there was only enough of the right type size to set forty pages at a time. There were unavoidable delays in paper shipments, the note states, as Japanese planes daily bombed the Kowloon-Hankow Railway.

"There was a less aggravating delay," the editor continues, "when the compositors allocated to the type setting ran away to an army camp and needed considerably cajoling and an order from the Higher Command before they were made to understand that theirs was already a patriotic occupation."

The first edition is limited—book collectors please note—but plans are already under way for later editions to be published abroad. It could be suggested that a little more editing be done before the book is placed on the foreign markets so that the amount of repetition within the book itself could be avoided.

B. W.

China's Potent Red Army

China Fights Back, by Agnes Smedley. The Vanguard Press. N.Y. 1938. 282 pp. With Introduction By Anna Louise Strong.

Miss Agnes Smedley occupies a unique position among writers on China. The distinction is hers not because she writes of things and men Chinese with love and devotion—a few other authors do that. It is not hers because much of what she has written deals with phenomena she had personally witnessed—other writers, notably Edgar Snow, have done so. She is remarkable because in dealing with China she makes a conscious and determined effort to identify herself with the ideology, aspirations and physical existence of the Chinese people.

This craving to be one with the people was already perceptible in her earlier books on revolutionary struggle in China, especially in "China's Red Army Marches." But in the book under review she defines this yearning and analyzes its development through the successive stages of her stay in Shansi.

It is for this reason, perhaps, that "China Fights Back" becomes a personal chronicle as much as it is an eye-witness description of China's potentially most important political and military organism, the Eighth Route Army.

It is possible to argue regarding the advisability of mixing a diary of a woman's emotions and the log of an army at war. To this reviewer, Miss Smedley's personal reminiscences and soul-searching detract but little from the value of her work.

As a record of Miss Smedley's own political development, the book is simple. It is the age-old story of a member of intelligentsia desperately striving to identify herself with the revolutionary struggle of the people. Time and again, Miss Smedley brokenheartedly confesses, as many have done before her, her inability to identify herself with people of a diametrically different educational and cultural level and social experience. In her case, the difficulty is enhanced by the abyss of race and language separating her from the Chinese.

As a day-by-day log of the Eighth Route Army in its formative stages and first battles, the book is of immense historical importance. There is no doubt that Miss Smedley has made many a slip, mainly because of her dependence on the information supplied to her by the Army or conveyed to her by uninformed men. These unimportant errors, however, do not diminish the value of the work as the first detailed, matter-of-fact account by a foreign onlooker, anxiously striving to be accurate, of Red China at war.

If Miss Smedley is correct,—and her information has since been substantiated by such impartial and keen observers as Captain Carlson,—the Eighth Route Army is China's answer to Japan's challenge. The men of the Army, she says, are excellent soldiers; but they are not the professional soldiers of old tuchuns' armies who fought for those who paid most. The Eighth Route Army men know why they fight, they know how to fight, and they do not fear pain, suffering and death itself in attaining their goal.

Miss Smedley shows how the Army marches, fights and relaxes. She describes at length its methods of gaining popular support and of mobilizing public opinion for struggle against Japan. She pictures the leaders of the Eighth Route Army at work, war and play. She describes some of the most important battles fought by the Army and a few of its defeats. She, finally, deals with the Army's needs and indicates ways of meeting these requirements.

Chu Teh and other Communist leaders emerge out of the book's pages as remarkable men, fit to grace the pages of history of any country. Although Miss Smedley does not say so openly, it is apparent that she considers him the most important figure in China's struggle with Japan and also in the currently overshadowed

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revolutionary developments, which at some distant future will wrack China's body with the pain of social reconstruction.

Troubled by a broken back, worn out by the pace kept up the Army, working day and night as a nurse, secretary, writer and propagandist, Miss Smedley naturally could pay little attention to the literary style of her book. Beautiful phrases,—as she herself notes in her letter to the publishers,—would have been out of place in this record of distress, pain, death and wholesale destruction. Yet, the very simplicity of the book and its sincerity endow Miss Smedley's work with a strange charm and beauty. There is many a passage in this war book that will gain fame for its literary quality alone.

To those who are interested in China's tragic present and uncertain future this book is strongly recommended. It sheds light not only on how China fights, but also helps one to understand what will happen tomorrow. The book is an important contribution to recent literature on this country's travails.

M. J. G.

The S.V.C. in Pictures

Eighty-Five Years of the Shanghai Volunteer Corps. Compiled by I. I. Koumin; illustrated by A. Yaron; published by the Cosmopolitan Press, Shanghai.

A credit to its editor, artist and publishing house, this 282-page album, profusely illustrated, is a graphic memento of the colorful history of Shanghai's own defense forces. It traces the birth of the S.V.C., in 1853, and the hectic days which followed through the Taiping Rebellion, up to the present when members of the corps, now superbly equipped, performed their duties during the Shanghai phase of the Sino-Japanese war.

Reorientation of French Foreign Policy Demanded

An emphatic demand for the reorientation of the French foreign policy is contained in an article published by *(Paris) Le Matin* Oct. 17. France, said the writer of this article, should pursue a policy in keeping with her geographical position. France has two capitals, namely Paris and Algiers. Geographically France is a west European country stretching across the Mediterranean to Africa. Hence her vital interests, her strength and her future lie in Western Europe in the Mediterranean and in Africa. It would be folly to seek success in any other sphere, the Journal said.

The only countries with which France is able to enter into helpful and enduring pacts are her neighbors, namely Britain, Belgium, Italy and Spain. With other countries France should set about improving her trade relations, the paper commented. What she should not do is to enter into military alliances especially with countries in Central and Eastern Europe or in the Balkans as her security lies not on the Danube or the Vistula or at the Bosphorus but along the Vosges, the Alps, the Pyrennes and the Atlas mountains.

Budget Limited by Manchukuo

With a view to effecting a retrenchment in state expenditures except those required for national defense and the five-year industrial program, the Manchukuo Finance Bureau intends to set the total amount of the budget for the next fiscal year at not more than $380,000,000, it was disclosed in Hsinking this week, compilation of the budget was completed by the bureau recently.

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What Critics are Saying About

COLLISION IN ASIA

THE CHINA PRESS:

"'A Picture is worth ten thousand words," says a moss-covered Chinese proverb. Still more potent in moulding public opinion is a cartoon, whose sarcasm and irony pierce sham and pretense. Seldom has then been truer than in the collection of cartoons on the Sino-Japanese war just published by the *China Weekly Review*. From the first page to the last, the booklet bristles with irony, 99 per cent of it aimed at Nippon's claims, protestations and methods.

A quick glance through the booklet will at once show why the American public mind has been so markedly inimical to Nippon's latest "crusade" on the mainland. Where an erudite article would have failed, the cartoonist manages to expose and lambast Nippon's favorite stereotypes—"War to establish lasting peace in the Far East," "Japan is the chief stabilizing force in the Orient," "Holy Mission to exterminate the menace of Communism in China," Protection of Western Civilization from Bolshevism," and the like.

"Through the 82 cartoons of the book, the Japanese soldier kills, maims, and destroys, while his diplomats strew excuses in his trail. Many cartoons play up Tokyo's folly of hoping to strangle a country of China's size, population and recuperative power....."——G., in the *China Press*.

SHANGHAI EVENING POST & MERCURY:

"Collision in Asia is the title of a collection of newspaper cartoons bearing on the Sino-Japanese hostilities during the past year which has just been published here by the *China Weekly Review*. The war is viewed in this red-covered booklet through the eyes of the world's famous cartoonists in 28 pages of pictures interpersed with a few lighter verses on the conflict. The cartoons are taken from 23 American metropolitan newspapers, three American magazines, 14 British newspapers, one British magazine, one English-language paper in Shanghai and two Chinese papers.

"In the entire collection, it is noteworthy that there is not a single cartoon in direct praise or sympathy with Japan. Most of them support the Chinese cause and condemn Japanese action in Asia. Several are chiefly concerned with Japan's action as it affects foreign lives and property. A few rap foreign intervention or side-taking, and demand that America and the West stay out of the conflict entirely. These cartoons graphically depict the hostilities in China and from the long-range viewpoint of the West."—LaSelle Gilman, in the *Shanghai Evening Post & Mercury*.

THE MORNING LEADER:

"The *China Weekly Review* has just published a volume of cartoons—a collection from various foreign and Chinese newspapers concerning the war—entitled "Collision in Asia." All the cartoons are not only striking to the eye, but full of biting sarcasm and bitter humor....."

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